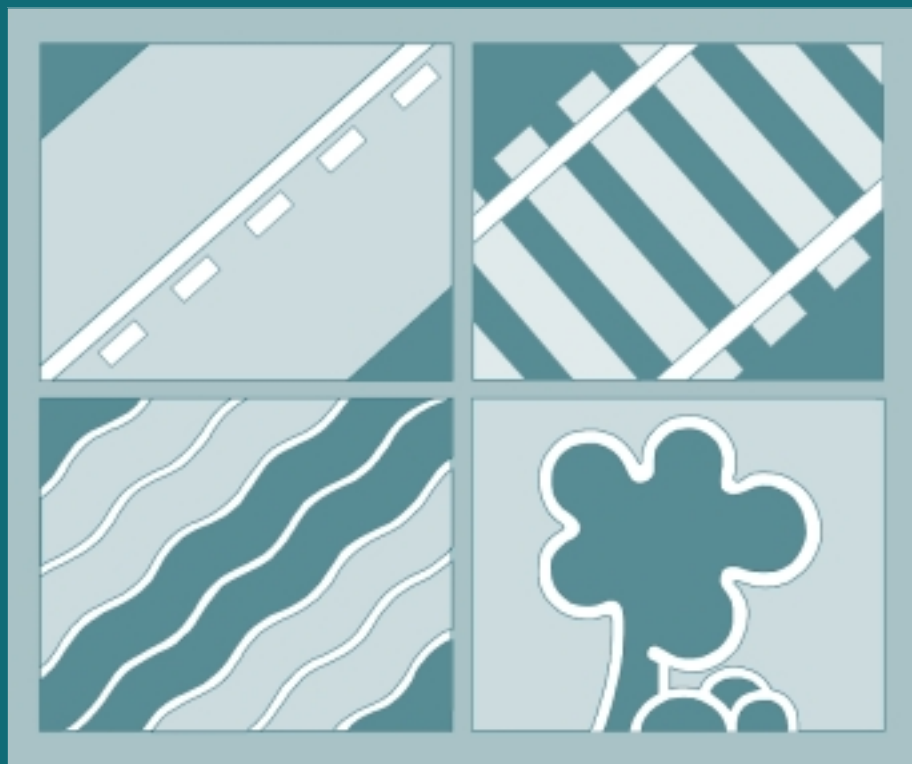


46th Annual Report - 1999

# ACTIVITIES OF THE CONFERENCE

RESOLUTIONS OF THE COUNCIL  
OF MINISTERS OF TRANSPORT  
AND REPORTS APPROVED IN 1999



EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT

**46th Annual Report**

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## EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT (ECMT)

The European Conference of Ministers of Transport (ECMT) is an inter-governmental organisation established by a Protocol signed in Brussels on 17 October 1953. It is a forum in which Ministers responsible for transport, and more specifically the inland transport sector, can co-operate on policy. Within this forum, Ministers can openly discuss current problems and agree upon joint approaches aimed at improving the utilisation and at ensuring the rational development of European transport systems of international importance.

At present, the ECMT's role primarily consists of:

- helping to create an integrated transport system throughout the enlarged Europe that is economically and technically efficient, meets the highest possible safety and environmental standards and takes full account of the social dimension;
- helping also to build a bridge between the European Union and the rest of the continent at a political level.

The Council of the Conference comprises the Ministers of Transport of 40 full Member countries: Albania, Austria, Azerbaijan, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, FYR Macedonia, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Moldova, Netherlands, Norway, Poland, Portugal, Romania, the Russian Federation, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and the United Kingdom. There are six Associate member countries (Australia, Canada, Japan, New Zealand, Republic of Korea and the United States) and two Observer countries (Armenia and Morocco).

A Committee of Deputies, composed of senior civil servants representing Ministers, prepares proposals for consideration by the Council of Ministers. The Committee is assisted by working groups, each of which has a specific mandate.

The issues currently being studied – on which policy decisions by Ministers will be required – include the development and implementation of a pan-European transport policy; the integration of Central and Eastern European Countries into the European transport market; specific issues relating to transport by rail, road and waterway; combined transport; transport and the environment; the social costs of transport; trends in international transport and infrastructure needs; transport for people with mobility handicaps; road safety; traffic management; road traffic information and new communications technologies.

Statistical analyses of trends in traffic and investment are published regularly by the ECMT and provide a clear indication of the situation, on a trimestrial or annual basis, in the transport sector in different European countries.

As part of its research activities, the ECMT holds regular Symposia, Seminars and Round Tables on transport economics issues. Their conclusions are considered by the competent organs of the Conference under the authority of the Committee of Deputies and serve as a basis for formulating proposals for policy decisions to be submitted to Ministers.

The ECMT's Documentation Service has extensive information available concerning the transport sector. This information is accessible on the ECMT Internet site.

For administrative purposes the ECMT's Secretariat is attached to the Organisation for Economic Co-operation and Development (OECD).

*Publié en français sous le titre :*

46<sup>e</sup> Rapport Annuel

ACTIVITÉS DE LA CONFÉRENCE

Résolutions du Conseil des Ministres des Transports et rapports approuvés en 1999

*Further information about the ECMT is available on Internet at the following address:*

***<http://www.oecd.org/cem/>***

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2, rue André Pascal, 75775 PARIS CEDEX 16, France.

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## INTRODUCTION

### OUTLINE OF THE STRUCTURE AND PROCEEDINGS OF THE CONFERENCE

As the Organisation Chart in Annex I shows, apart from the Council of Ministers itself and its Committee of Deputies, the Conference has two types of working unit, and the following were active in 1999:

#### **Permanent Groups**

- Economic Research
- Group of Expert Statisticians

#### ***Ad Hoc* Groups**

- Integration of New Member States
- Transport and Environment
- Trends in International Traffic
- Railways
- Combined Transport
- Road Transport
- Road Safety
- Transport for People with Mobility Handicaps
- Fiscal and Financial Distortions in Transport Markets

The reports produced by these Groups are considered by the Committee of Deputies and, once approved, are submitted to the Council of Ministers.

In accordance with the new system introduced in 1997, the chairmanship of the ECMT is no longer rotated at the beginning of each calendar year but in the middle of the year. Thus, during the first half of 1999, the Conference was chaired by the Polish Minister of Transport and Maritime Economy, assisted in the context of the Bureau of the Council of Ministers by the Czech Minister of Transport and Communications (First Vice-Chairman) and the Portuguese Minister of Infrastructure, Planning and Territorial Administration (Second Vice-Chairman). In the second half of the year, the Bureau of the Council of Ministers comprised the Czech Minister (Chairman) and the Portuguese Minister (First Vice-Chairman), together with the Romanian Minister of Transport (new Second Vice-Chairman). The purpose of this new arrangement is to enable the Chairmen to prepare the spring session of the Council of Ministers more efficiently and to ensure greater continuity in their work over time.

The Council of Ministers held its 83<sup>rd</sup> Session in Warsaw (Poland) in 1999.



The Committee of Deputies met three times: on 7-8 April, 19 May and 7-8 October 1999. A meeting of the Enlarged Bureau of the Committee of Deputies was held on 29 June 1999.

It should also be mentioned that the Conference organised in 1999, as part of its research activities, three Round Tables on the following themes:

- “Interurban Coach Services in Europe”
- “Road Transport for Own Account in Europe”
- “Transport of Waste Products”

The conclusions of the Round Tables are given in Chapter III, Section A.

In 1999, the ECMT also organised a Workshop on "Public-Private Partnerships", a Seminar on "Crime in Transport" and another Seminar on "Transport Economics Research and Policymaking".

Lastly, the ECMT has also organised several international events, in conjunction with other international organisations, such as:

- in conjunction with the International Union of Public Transport (UITP), a Seminar on "Urban Public Transport Funding" (Paris, 13 and 14 October 1999),
- in conjunction with the OECD, a Conference on "Strategic Environmental Impact Assessment for Transport" (Warsaw, 14 and 15 October 1999),
- in conjunction with the European Commission, a Conference on "Transport Benchmarking: Methodologies, Applications and Data Needs" (Paris, 22 and 23 November 1999),
- in conjunction with the OECD, a Workshop on "Managing Car Use for Sustainable Urban Travel" (Dublin, 1 and 2 December 1999).

An overview of the Conference's activities is presented hereafter.

*Part One*

**ECMT ACTIVITIES**



## *Chapter I*

### **ACTIVITIES IN PARTICULAR FIELDS**

#### **A. INTEGRATION OF NEW MEMBER COUNTRIES**

The Group on Integration, which has been in existence since 1993, has the aim to ensure that ECMT's new Members are fully incorporated into its activities and also to provide a forum where new members can raise specific issues of concern to them. Part of the process is occurring through the active participation of the new Member countries in the different Working Groups.

The year 1999 was a very active one for the Group since the main item on the Ministerial agenda in Warsaw was the topic of Integration for which the Group was responsible. Several topics were prepared for the Ministerial Session by the Group. These included papers on the following areas:

- Pan European System of Legal Harmonisation
- Integration of European Inland Transport Markets
- Removal of Obstacles at Borders for both Road and Rail Transport
- Combating Crime in Transport
- Emerging Trade and Transport Links: Report on the Antalya Seminar “New Trade Patterns: New Transport Demands”.

The Group also took responsibility for the preparation of a discussion block at the Ministerial on Public Private Partnerships in Transport Investment. The reports on all of these topics are included in a special publication entitled “Integration of European Inland Transport Markets” and therefore only a short summary is provided here. The Resolutions are also contained in this report.

- First, recommendations on the process of **legal harmonisation** were adopted. These focussed on the need for consistency at international level between the legal instruments emanating from EU and UN/ECE and the policy resolutions from ECMT. The need to continue to ensure good co-operation between the international organisations was also emphasised.
- Second, a Resolution on the **integration of European inland transport markets** was adopted. This made some general recommendations that applied to all modes including suggestions on better statistical monitoring but also made specific recommendations aimed at the individual modes. In particular, for road transport a recommendation that consideration needs to be given to ways of strengthening the multilateral framework was agreed.
- Third, a resolution on the **removal of obstacles at border crossings** was adopted. The text is included in this publication and is available on the web site. The idea of targets for maximum delay times for crossing borders was introduced in this resolution as well as a number of practical suggestions to simplify the taxes and fees applied at borders and set up clear

functional divisions between the different services operating there. Joint procedures between neighbouring countries were also advocated.

- Fourth, the problem of **transport crime** was dealt with. This is a follow up to previous work on the topic at the Berlin Session of Ministers. A resolution was adopted and Ministers urged ECMT to set up appropriate structures to deal flexibly with the subject in the future. It was subsequently agreed that a Steering Group comprising the main interests would be set up to oversee the work. Initial efforts would focus on the problem of data availability and comparability and on the issue of special equipment to prevent vehicle theft. The resolution is also contained in this publication.
- Fifth, the Conclusions from a Seminar in Antalya, Turkey entitled “**New Trade Patterns: New Transport Demands in the Black Sea Region**” in 1998 were also presented to Ministers. These are also available on the site [<http://www.oecd.org/cem/online/antalya98/>]. They emphasised the importance of regional co-operation in the area around the Black Sea.
- Sixth, the very topical subject of **Public Private Partnerships in Transport Investment** was taken up. A seminar in January 1999 brought many of the leading actors together to discuss and share experiences on the use of private funds for transport investment. Following the event a summary paper and conclusions and recommendations were drawn up for the Ministerial Session. This paper is published in a special publication “Integration Issues” and the Conclusions and Recommendations are included in this publication.
- Finally, the Group on Integration began some work to review ECMT’s resolutions so that it would be easier for countries to assess the progress made and the key issues that need to be tackled. A text of the resolutions is being drawn up and all working groups will be involved in the appraisal of the resolutions.

The Group on integration has a key role in ECMT to ensure that new countries views are being taken into account and that the work in all areas reflects their concerns. It is thus making a very valuable contribution to the work of the organisation.

## B. RAILWAYS

The Group on Railways prepared two main reports for the 1999 Council of Ministers. The first addressed the removal of obstacles at border crossings for rail freight transport. The group examined interoperability from an economic standpoint together with issues surrounding customs and other administrative procedures. The report was the basis for the rail section of a Resolution on the removal of obstacles at border crossings (available on the ECMT Website) and drew the following main conclusions:

- that Governments increase the management independence of railway companies in regard to their international operations in the broadest sense so that decisions related to improving border crossing operations (e.g. rationalising marshalling operations, merging marshalling yards on either side of borders, purchasing multi-current locomotives, or dual gauge rolling stock, building track or transshipment stations, etc.) can be made on a commercial basis in an international market environment;

- that in the case of Governments that continue to exercise control in the management of railway operations, they should seek to eliminate shunting and marshalling as far as possible at all points en route (not only at borders);
- that all Governments consider possible roles for co-ordinating railways and providing support to railways in developing adequate integrated information technology systems for transmitting data between networks.

The second report explored the future for rail transport along the Europe-Asia land bridge. The technical characteristics of rail corridors between Europe and the Pacific, Central and Southern Asia were reviewed and progress in the speed and quality of trans-Siberian rail services noted. The potential for growth in international rail traffic in the region was explored with the conclusion that although long distance transit traffic could become important in the long term, in the shorter term traffic growth would be centred more locally driven by growth centres within the region.

The Group also took up the findings of the 1998 Round Table on Charges for the Use of Rail Infrastructure with plans to develop this work within a wider project on regulatory reform in railways, the results of which will be presented to the Council of Ministers in 2000.

### C. ROAD TRANSPORT

The Council of Ministers took a number of *Decisions* regarding the development of the **multilateral quota system** for international road freight transport. These decisions relate to:

- the introduction of a bonus for countries which endeavour to adapt their lorry fleet to high environmental and safety standards, notably by converting their basic quota into green or greener and safe licences;
- the use of short-term permits for green, and greener and safe lorries;
- modification of administrative procedures relating to the issuing of permits;
- Agreement on the number of permits allocated to Albania and Azerbaijan.
- The creation of a special humanitarian quota granted to Albania and FYR Macedonia because of the specific needs of these two countries due to the recent events in the region, together with the extension for one year of the special quota granted to Bosnia-Herzegovina and Moldova in 1998.

The Council of Ministers also decided to study the simplification and expansion of the quota system, and, in particular, the size of the increase in the number of ECMT licences warranted by the expected reduction in pollution resulting from the application of EURO3 standards to vehicles.

In addition, Ministers at the Warsaw Session laid down *Mandates* and *Guidelines* for future work by the ECMT with regard to **the social and fiscal aspects** of the road transport sector. Two documents served as a basis for discussions of this item on the agenda: firstly, an information note on transit charges in ECMT Member countries, which deals in particular with issues of discrimination and accumulation inherent in the levying of such charges; and secondly a report on **the social aspects of road transport**.

With regard to taxation, the mandate approved by the Council of Ministers provides for an in-depth examination of the conditions under which the principle of non-discrimination between domestic and foreign carriers will be applied with regard to taxes and charges based both on nationality and territoriality, while avoiding prohibitive tax charges that would damage the efficiency of international transport.

In the social field, the Council asked the Committee of Deputies to examine the possibility of drawing up minimum standards, applicable in all ECMT Member countries, with regard to working times in the road transport sector, to ensure that such standards are consistent with existing standards on driving and rest times, to achieve wide-ranging harmonisation of conditions of access to the profession and to establish objectives for inspections in order to ensure compliance with regulations.

#### D. COMBINED TRANSPORT

Ministers in Warsaw adopted a Resolution proposing a number of measures aimed at enhancing the integration of European inland transport markets including, for combined transport, the adoption of a broader approach, which could include short-sea shipping, and greater interoperability of the systems in Central and Eastern European countries.

In 1999, the ECMT Group on Combined Transport continued its work on short sea shipping as an alternative or a complementary mode to inland transport. It also worked out its future activities to be included in the programme of work to be presented to the Council of Ministers in 2000.

An Inter-secretariat Group, composed of representatives of the Secretariat of the European Commission, the ECE/UN, the ECMT and the Chairmen of the Working Groups on Combined Transport in these organisations, started the revision of the common terminology adopted in 1993. The objective of this work is an update and the inclusion of the Russian language in addition to the three already existing versions -- namely English, French and German.

#### E. FISCAL AND FINANCIAL ASPECTS OF TRANSPORT MARKETS

A group on fiscal and financial aspects of transport was established in 1998. Its initial task was to complete work, unfinished by the Task Force on the Social Costs of Transport, on the relationship between fiscal aspects of policies towards the internalisation of the external costs of transport and existing transport taxes and charges. In 1999 it was also charged with examining road freight transit charges as mandated at the Warsaw Council from the point of view of fairness and in relation to facilitating international trade.

In order to address both issues, as well as respond to many requests for information comparing the tax systems of Member countries, the group concentrated on developing a comprehensive methodology for making quantitative international comparisons of transport taxes and charging systems. In order to do this it was also necessary to review the economic principles for efficient taxation.

Work focussed on road freight transport in nine countries. Other modes and transport services were examined (coach services and freight and passenger rail services) initially but detailed analysis completed only for road freight with a view to preparing:

- a resolution on charges and taxes in international road haulage;
- a report and recommendations on efficient transport taxation.

## F. TRANSPORT AND ENVIRONMENT

The Transport and Environment Group worked on the following main issues in 1999.

### **Reducing CO<sub>2</sub> Emissions from Transport**

Data monitoring the 1995 joint Declaration with the vehicle manufacturing industry on reducing CO<sub>2</sub> emissions from new cars was compiled with the help of the industry associations OICA and ACEA and reported to Ministers. Trends were recorded to 1997 revealing a continuation of the improvement in average fuel efficiency that commenced in 1993, after accounting for the change in the vehicle test cycle prescribed by European Union recommendations. Until the European Commission establishes its own monitoring system, monitor of its voluntary agreement with ACEA will following the procedures developed by ECMT with industry.

### **Social Costs**

An analysis of the impact and potential of differentiating and variabilising transport charges and taxes to promote the internalisation of external costs was completed and will be made available on the Web. It includes a review of recent work on transport price elasticities and surveys the results of experience with reforming charges and taxes in a number of countries.

In order to pursue quantitative work on the relation of transport charges and taxes to the private and external costs of road haulage and other transport services, a sub group was established -- the Ad hoc Group on Fiscal and Financial Aspects of Transport -- reporting to both the Environment and Road Groups. Its initial task is to develop a methodology for making meaningful international comparisons of the economic effects of national systems and rates of transport charges and taxes.

### **Strategic Environmental Assessment for Transport**

In October 1999 a joint ECMT/OECD conference Strategic Environmental Assessment for Transport was held in Warsaw in co-operation with the Polish Ministry of Transport and Maritime Economy and its General Directorate for Roads.

The objectives of the Conference were:

- to share information on effective approaches for assessing the strategic environmental impacts associated with road and intermodal transport corridor and network developments;
- to establish contacts between experts and practitioners in central and eastern European countries (CEECs) and their counterparts in OECD countries in order to promote continued open dialogue and exchange on strategic environmental assessment (SEA);



- and to define priorities for improving strategic aspects of environmental assessment in CEEC and OECD countries.

The conference papers and conclusions can be consulted on the Web <http://www.oecd.org/CEM/topics/env/SEA99.htm> .

Among the conclusions four stand out:

- link SEA clearly to the planning process leading to an investment decision and begin it early;
- keep the output of SEAs simple and to the point to maximise the impact on decision-makers;
- the only way to develop effective SEA methodologies and procedures is through practice;
- SEAs along pan-European corridors should be undertaken in conjunction with the TINA programme.

### **Economic and Transport Growth and the Environment**

Work was initiated on this subject with a report on methodologies for assessing the benefits of transport. This was then developed with a workshop in Bern in November 1999 to examine the assessment of the additional or external benefits of transport, for example in terms of regional development, employment etc. The workshop drew extensively on the experience of the 1999 report Transport and the Economy of the UK Standing Advisory Committee on Trunk Road Assessment. The key conclusions were that no simple multiplier can be applied to estimate the benefits of transport investments beyond those recorded in classic cost benefit analysis as additional effects can be negative as well as positive. Much depends on relation of transport prices to costs and on distortions in markets for goods transported and distortions in markets for services dependent on transport. The UK report provides a framework for accounting for these factors in a coherent manner. Results will be reported to Ministers in 2000.

### **Vehicle Scrappage Schemes**

The group examined schemes for fleet renewal and vehicles scrappage in response to growing interest in central and eastern European countries in such schemes. In Europe such schemes have been introduced primarily in response to depressed car markets, but often with claims that they result in environmental gains in terms of reduced exhaust emissions. Experience of incentive programmes applied in North America, Western Europe and Eastern Europe was reviewed. The main conclusions were that the success of such incentive programmes in achieving improvements in environmental protection depend critically on the detailed design of the scheme. In order to be cost effective they must target the worst emitters. Returns are higher when only a small number of vehicles are targeted and when there is no requirement to replace the vehicle to obtain the incentive. Particular opportunities arise in periods of technological change, for example the introduction of catalytic converters.

### **Lead in Petrol**

The Group prepared a Resolution for Ministers on Phasing out Lead in Petrol. Ministers agreed that the use of leaded petrol should be phased out as rapidly as possible and that to achieve this, all ECMT Member countries should set target dates for ending sales of leaded petrol for general use by motor vehicles. A series of recommendations were included for facilitating this phase out. The Group drew largely on work undertaken by international government institutions and summarised in a report produced for the OECD Working Party on Risk Management in collaboration with UNEP in 1998.

## G. ROAD SAFETY

Ministers first examined a report on **Recent Trends in Road Accidents**. The most striking fact that emerges from this report is that over 100 000 people were killed and a further 2 million injured in road accidents in 1997 within the ECMT area. The latest statistics available reveal that the progress made in reducing the number of road accidents in Western Europe is now showing signs of slowing and that road safety in the countries of Central and Eastern Europe has deteriorated dramatically.

Communication strategies are an integral part of the authorities' overall efforts to improve road safety. Communication is not restricted solely to providing information about the actions taken by the authorities, but is also an essential tool for raising public awareness of a problem for which every citizen must take responsibility personally and continuously, since the effectiveness of measures depends largely on their being accepted by the public.

A *Resolution* was drawn up on the basis of the conclusions of a report entitled "**Communication in Road Safety**" which describes the aims, strategies and methods of communication used in this area and which stresses that such an approach can only be successful if it is part of a general strategy that takes account not only of the messages diffused by the traditional mass media but also new methods of telecommunication involving the road transport environment and surveillance techniques. This *Resolution* was adopted by the Council of Ministers.

The Resolution, after recalling that most road accidents are the result of inappropriate behaviour by road users and that the perception of road accidents as an increasingly normal part of everyday life may lessen the impact of communication, recommends that:

- all road safety measures should be reinforced by means of a systematic communication effort;
- exchanges of information between Member countries with regard to experience with communication should be stepped up;
- communication should be adapted to the target group and should be based on marketing principles;
- communication should be considered as a tool to be used on an ongoing basis, the lasting effects of which will only be felt in the long term;
- The results of road safety campaigns should be systematically assessed.

Since 1997, the ECMT has been closely studying certain categories of road user that are particularly vulnerable from a safety standpoint. After examining the case of cyclists in 1997 and pedestrians in 1998, the Council of Ministers discussed in Warsaw the road safety problems posed specifically by **moped riders and motorcyclists**. The report on this subject begins with an overview of current accident statistics for these two categories of road users and notes the worryingly high proportion of motorcyclists and moped riders involved in road accidents (currently 13% of all road accidents). It then makes a number of recommendations with regard to vehicles, infrastructure, the Highway Code, road safety awareness campaigns and the training of road users. These recommendations have in large part been incorporated into a *Resolution*, which Ministers approved at the meeting in Warsaw. The recommendations relate primarily to:

- vehicles: classification criteria that will allow more effective and clearer design rules to be drawn up for manufacturers, measures to prevent illegal tampering with engine ratings, design standards for cars and HGVs that take account of the risks of collision with a two-

wheeled vehicle, technical developments aimed at ensuring a safer use of two-wheeled vehicles, mandatory roadworthiness tests;

- infrastructure: rules for the use of cycle tracks, quality of road surfaces and markings, ban on grooved road pavements, safer crash barriers;
- training: training courses in moped riding for teenagers, graduated access to motorcycle riding according to engine size, introduction of a practical test alongside theory tests;
- Road users: raise road users' awareness of two-wheeled vehicle riders on the road, use of appropriate clothing, use of headlights during the day, compliance with the requirement to wear an approved crash helmet, compliance with highway code by drivers of two-wheeled vehicles.

Lastly, the ECMT Group on Road safety has been involved in the preparation of the triennial program of work to be adopted by Ministers in 2000. Areas of work for the next three years to come for the Group should cover **Road Safety and Ageing population; Safety strategies for rural roads and Road Safety and quality of transport policies.**

## H. TRANSPORT FOR PEOPLE WITH MOBILITY HANDICAPS

Work on this topic has been a vital part of ECMT's activities for many years now. Although substantial progress is being made to improve the accessibility of the system, there is no room for complacency since progress is uneven and by no means sufficient.

1999 was an active year for the Working Group and a number of publications were issued, new initiatives taken and work progressed on specific topics. These are reviewed below.

A publication entitled "*Improving Transport for People with Mobility Handicaps: A Guide to Good Practice*" was issued during the year. This guide brings together the experience of many countries over the last decade and a half into direct practical advice on how access problems can be tackled effectively. The guide is being distributed very widely both within and outside ECMT, including to countries in Asia, South America and Africa where it is being found to be extremely useful

ECMT also published, during 1999, a Charter on Access to Transport Services and Infrastructure. This Charter sets out some fundamental principles for the construction of transport infrastructure at national and international levels [CEMT/CM(99)24/final]. The commitment of Ministers to these principles is a message to all involved that all new infrastructure must be made accessible to everyone. Financing will not be provided for schemes that do not follow the principles.

A conference organised in Gothenberg (Sweden) in September on the theme "Strengthening the Transport Chain" dealt with the vital issue of bringing the individual improvements in the various parts of the transport system together. The conference identified many weak points in the transport chain including physical, infrastructural, technical, institutional, legal and organisational ones and set out an agenda for dealing with them. The papers and full conclusions are on the web site [<http://www.oecd.org/cem/online/conclus/>].

The conclusions emphasise a number of key points, as follows:

- Responsibility for the transport chain is divided between many agencies and organisations.
- A functioning transport chain depends also on a sound policy and legal framework and on the possibilities for redress for travellers when there are problems.
- To bring about improvements, a coherent policy and a concrete plan of supporting actions are needed.
- The institutions and organisations responsible for the different services, which form the transport chain, have to co-operate more closely.
- Traditional public transport has not responded satisfactorily to meeting the needs of disabled people. Experiences presented at the Seminar show that there are significant possibilities to provide improved public transport for people with disabilities.
- New accessible services or vehicles must be supported by information campaigns to potential users.
- Training and disability awareness is vital.

Another issue being tackled by the Group is that of ageing. It is well known that populations are ageing in most countries. This has important consequences for the work of the group since many older people have difficulties with travelling and also since many people with disabilities are older. Ministers mandated ECMT to examine the consequences for transport policy of an ageing population. The Group began discussions on this in follow-up to an ECMT Round Table held on this topic. Information is being gathered from a number of sources for this work and will continue in 2000 and be presented to Ministers in 2001.

Work with the International Road Transport Union (IRU) on access to taxis was continued in a joint Task Force. This work is aimed at finding practical ways of improving access to taxis and will be completed during 2000.

Updating of work on legislation, on concessionary fares and on consultation procedures was started and updated versions of all of these reports will be finalised in 2000 and put on the ECMT web site.

Work on tactile surfaces and on audible signals was finalised and is to be sent to the appropriate standardisation bodies. One conclusion of this work was that there are already too many different tactile and audible systems being used to have a realistic hope of creating a single standard. Realistically, all that can be done is that further proliferation of different standards is avoided in the future.

The Group continues to expand its work with ECMT's newer Members, several of whom are participating actively. Moreover, the work is closely co-ordinated with that of the EU on the subject.

## Chapter II

### ECONOMIC RESEARCH, STATISTICS AND DOCUMENTATION

Since 1967, the ECMT's Economic Research and Documentation Division has been developing its activities in research and documentation, with the potential for deeper complementary analyses through the ECMT's political approach.

As of 1994, the Economic Research and Documentation Division became the Economic Research, Statistics and Documentation Division, to include statistical studies previously assigned to the Politics Division.

It is the Economic Research Committee (ERC) which supervises and determines the general orientation of the Economic Research, Statistics and Documentation Division. The Committee is regularly informed of progress with the preparation of the different events organised by this Division and their outcome. In 1999, the Economic Research Committee met twice.

#### A. ECONOMIC RESEARCH

As mentioned above, the Economic Research activities are developed on the basis of a programme of research themes, the general content of which is defined by the ERC. A consistent programme of research topics implies a sufficiently long life span and, in practice, a programme covers three years and includes one Symposium, one or more Seminars and about twelve Round Tables, as detailed below.

- a) **Symposia** are held every three years and attract a wide audience of prominent figures from the transport field (research, operation, government departments, users, personnel; approximately 400 participants).

The ERC defines the general topic and subtopics for a Symposium; it selects the session chairmen and *rapporteurs*.

- b) **Round Tables** are held four or five times a year, except in the year of a Symposium or Seminar. During the Round Table, a limited number of highly-qualified specialists (about 30) studies a specific topic in detail on the basis of one or more background reports. The topics for Round Tables are defined by the ERC.
- c) **Seminars** are *ad hoc* meetings on topical subjects and are intended for quite a wide range of specialists (approximately 100). A proposal to hold a Seminar may come from quite different sources; it is submitted for approval to the ERC which draws up the organisation plan for the Seminar.

- d) **Regional Round Tables** are held at the initiative of one or more Member countries when they consider it useful to study, from their own angle, a specific subject which has often already been discussed at a general Round Table.

During 1999, the Economic Research Division organised the following events:

- **Round Table 114**, “*Interurban Coach Services in Europe*”, held in Paris on 11-12 March 1999;
- **Round Table 115**, “*Road Freight Transport for Own Account in Europe*”, held in Paris on 4-5 November 1999;
- **Round Table 116**, “*Transport of Waste Products*”, held in Paris on 16-17 December 1999.

Also during 1999, a large part of the work of the Economic Research Division was devoted to the preparation of the 15<sup>th</sup> International Symposium on Theory and Practice in Transport Economics, to take place in Thessalonika (Greece) from 7 to 9 June 2000 and entitled “*Key Issues for Transport Beyond 2000*”. The main topic will be subdivided into three sessions with the following rapporteurs:

TOPIC 1: *Scenarios, forecasts and data collection: Experience and prospects*

- a) *Scenarios, forecasts:*
- D. Bjørnland (N)
  - G. Giannopoulos (GR)
  - I. Helcz (H)
  - C. Reynaud (F)
- b) *Data collection:*
- W. Brög (D)
  - T. van der Hoorn (NL)

TOPIC 2: *Transforming economic and institutional structures and technological trends: Experience and prospects*

- a) *Economic/institutional transformations:*
- H. Baum (D)
  - J. Burnewicz (PL)
- b) *Intermodality:*
- M. Beuthe/J. Charlier (B)
- c) *Public-private partnerships:*
- N. Bruzelius (S)
- d) *Technology:*
- H. van Zuylen (NL)

TOPIC 3: *Peripherality and pan-European integration: Experience and prospects*

- A. Argyris/S. Kostopoulou (GR)
- F. Hep (CZ)
- M. Herry (A)
- J. Menendez Martinez (E)
- W. Suchorzewski (PL)
- P. Hilferink (NL)

A final session is also planned on the topic “*Efficiency, equity and the environment in transport: Experience and prospects*”, in the form of a round table with a debate between high-level experts and politicians.

In addition, two **Seminars** were organised in 1999: the first, on the subject of “*Transport Economics Research and Policymaking*”, took place in Paris on 10th-11<sup>th</sup> May 1999; the second, organised in co-operation with the European Commission and held in Paris on 22 and 23 November 1999, was entitled “*Transport Benchmarking: methodologies, applications and data needs*”.

The main conclusions of Round Tables 114 to 116 are detailed in Point 1, while those of the Seminars are shown under Point 2.

## 1. ROUND TABLES

**1.1. ROUND TABLE 114** took place on 11 and 12 March 1999 in Paris and the theme for discussion was “*Regular interurban coach services in Europe*”. The Round Table was chaired by Mr. P. Laeremans (B) and opened with papers by Messrs. D. Bochar (B), T. Komornicki (PL), P. White (UK) and K. Jansson (S).

The main conclusions drawn by the Round Table are briefly summarised below.

### 1. Some factual observations

Firstly, it should be noted that line services by coach and urban bus services have very different cost and operating structures. The operating speeds of line coaches are far greater than those of urban bus services while labour costs are lower. The cost in terms of vehicle-kilometre for a line coach amounts to around 1.2 Euros. The advantage to coaches as a mode of transport is that the unit capacity of vehicles is low, while the networks they service can be highly dense and services can be provided at higher frequencies. Coach services are therefore a highly efficient mode of transport in sparsely populated countries.

The impact of the **deregulation** of long-distance coach operations has been **beneficial** in the countries where it has been introduced, i.e. primarily the United Kingdom and Sweden. In the United Kingdom, coaches account for 8 per cent of passenger trips of over 80 kilometres. The type of services offered are similar to those provided by rail, but fares are 30 per cent cheaper. This has allowed a category of low-income users to make trips that would otherwise have been far more expensive. It is for this reason that the users of line coach services are primarily young people and pensioners, two of the least advantaged categories of the population. The impact on rail has been marginal, given that coaches are mostly used by a different category of the population, and the rail’s loss of passenger traffic amounts to no more than 1 or 2 per cent. Results obtained in Sweden confirm the estimates obtained from models designed to predict this type of effect. In Sweden, the transfer to coach transport has mainly been from private cars and not from rail (as in Norway), since there may be marked differences between the rail and coach transport markets.

Passengers who use coach services are **highly sensitive to the price** of such services. Price is a major factor in the decision to travel by coach, followed by frequency of services and scope for door-to-door transport. In terms of the potential shared customer base, rail has been forced to adapt and review its fare structures, which has been of great benefit to consumers. On the whole, the liberalisation of scheduled coach services has yielded substantial benefits for passengers in terms of both prices and the range of services offered. It would be fair to say that deregulation is beneficial with regard to medium and long-distance trips, which exhibit high price elasticities, whereas it has proved to be somewhat of a failure in the case of local services where prices have risen and the

frequency of services has fallen. Mention should nonetheless be made of the possibilities afforded by coach services with regard to airport access, particularly in cases where airports are located outside towns, or as an integral part of air transport services, especially for short-distance links.

**The development of international coach services** is closely linked to the migration of populations. In response to political, economic or social events, European populations migrate from one country to another while maintaining links with their home country. In most cases these migrant populations are in the low-income bracket and return to their home country at regular intervals by means of scheduled international coach services offering a wide range of destinations. In addition, following the collapse of the Berlin Wall, there has also been increased demand from the tourist sector, which rail has been unable to meet. On routes between the central and eastern European countries and Western Europe, rail is now as expensive as air transport. It is for this reason that international coach services are growing at a rate of 4 to 5 per cent a year. However, the market catering to migratory flows, which has grown strongly until now, may ultimately not prove less buoyant. It would be preferable to develop markets catering to other categories of the population, notably young people and senior citizens. However, it is difficult to operate coaches affording access to severely handicapped people in that, unlike buses, coaches cannot readily accommodate lowered floors.

It is the **density of the lines** offered by international coach transport services, or the density of the domestic transport network in the case of countries that have liberalised this type of service, which explains the success of coach services, hence the importance of creating structured networks offering uniform services with a satisfactory degree of interoperability. Customers are also sensitive to the frequency of the services proposed. The existence of coach stations where passengers can change to other lines is another factor in the success of coach transport. In addition, the European motorway network allows rapid services to be offered to a large part of the European continent. By comparison, the rail networks are often poorly integrated and suffer from non-interoperability. In contrast, the emergence of low-cost airline companies has significantly added to the competitive pressures, while in the CEECs there is strong competition from illegal minibuses (even though it is now decreasing) due to problems involved in policing the sector.

On the whole, line coach services cannot compete with air transport or high-speed trains and therefore address another type of customer who is sensitive above all to the low prices and variety of routes proposed. The customer base primarily consists in new passengers and is therefore induced traffic. It should also be noted that the main competitor to the coach is not so much rail as the private car. As a result, the experts at the Round Table felt that the risks taken in liberalising interurban coach services were relatively minor compared with the benefits they offered to low income populations.

## **2. Desirable trends**

Analysis of the relatively youthful customer base for line coach services suggests that **marketing structures should be strengthened** through the use of sophisticated resources such as the Internet. Since the customer base has fairly distinctive characteristics, any action aimed at making use of leading-edge technologies would be of benefit to the coach transport sector. Electronic payment would therefore be one means of marketing services. In this respect, line coach services are one step ahead of the rail networks. At all events, it is clear that in many cases traditional rail services are simply not competitive, except on a number of specific routes where rail can offset higher fares by high-speed services.



**Coach stations should preferably be located in city centres**, where access to other modes of transport is easiest. At most, coaches account for merely 1 per cent of the traffic in city centres and are wrongly accused of causing congestion. Coach transport makes use of the intermodality of interchange platforms.

All long-distance services must be **centralised in the same terminal**. This is the necessary condition for the creation of healthy competition. Independent operators from the major groups must therefore be installed in these terminals to ensure fair competition. The operators present must be clearly identified. Even though some participants at the Round Table felt that public ownership of terminals ensured a better guarantee of free competition, most felt that ownership was of little importance and that what mattered was equal access to terminals for operators. To this end, a clear distinction must be made at the accounting level between management of a terminal and the operation of coach services in cases where the terminal is owned by an operator.

While it is not always possible to site platforms in the centre of cities, it is generally out of a concern to protect the railways that planners avoid siting intermodal exchange centres near to railway stations. This is unfortunate. **Attempting to protect the railways is a rearguard action** for which there is absolutely no justification in terms of possible transfers of customers, as recent experiences with liberalisation have shown. It is the railways which have to adapt and assert their presence in market niches where they are genuinely competitive (examples that come to mind are high-speed trains, suburban services in highly built-up areas and certain regional links).

Line coach services are part of the public transport system, which has seen an increase in the number of users. This means that the **quality of services** and their competitiveness have continued to improve. The on-board comfort of coach passengers has increased in terms of both ergonomics (space between seats) and technology (e.g. air conditioning). This trend is set to continue and it is worth noting that the countries of Eastern Europe are eager to be given criteria for quality of service which they can apply to their coach services. The profession should give even more thought to competition between private car use and coaches, on the basis of quality of service, since coach transport offers genuine scope for opening up new markets once the possibility of offering door-to-door services is taken into account.

**Safety** is also of paramount importance. In the past, illegal operators have managed to enter the international transport market, but after a few accidents which were widely reported in the press customers have become sensitive to the reputation of the operators they use. A network such as the one operated by Eurolines, which was presented at the Round Table, attaches great importance to compliance with safety regulations. It is clear from this that coach transport is an activity that has come of age in the transport sector. The safety record of coach transport in terms of the number of accidents is comparable to that of air transport and rail, namely 22 times safer than transport by private car. To ensure that this trend is maintained, the authorities must ensure that regulations are complied with, particularly when they have an impact on safety.

Liberalisation of the market has been accompanied by a dramatic fall in the number of operators as firms have combined to form **conglomerates**. This might raise fears about abuses of dominant positions in certain markets. In practice, however, the markets have remained highly contestable, i.e. the threat of new entrants or competition from another mode of transport is always present, rendering baseless concern over manipulation of the competitive process. It needs to be borne in mind that the danger of a dilution of competition is made all the more remote by the fact that competition from private car use still remains as fierce as ever. Furthermore, demand from users and the range of services offered to the latter remain a regulating factor. The coach transport sector will always have to keep prices below those of its competitors if it wishes to prosper in the future. Moreover, in many

cases small companies manage to survive by acting as sub-contractors to larger groups. Liberalisation has therefore not led to the elimination of large numbers of firms.

In contrast, it would be advisable not to allow the same company to operate several modes of transport concurrently (e.g. coach and rail). The minimum requirement would be for separate accounts and a great degree of managerial autonomy.

### 3. Action expected from government

Given the clear benefits to users, particularly those with low incomes, there are no grounds for slowing down the development of line coach services. The conditions of competition must be fair, however, and consideration will primarily be given to **taxation**. There is no reason why different VAT rates should apply to different modes of passenger transport. Some modes, for example aviation, pay very little tax on fuel despite the fact that energy consumption per seat for this mode is ten times higher than in other modes. To the extent that services are more or less in competition, it would be inadvisable to seek to promote one mode at the expense of another. In this respect the VAT applicable to coaches, which is far too complicated and varies substantially from one country to another, needs to be simplified and harmonised.

The **conditions under which licences are issued** for scheduled international lines need to be harmonised. Practices vary widely from one country to another in this area and there is no genuinely multilateral approach to the issue, which is dealt with solely at the national level. It is also necessary to adopt a standard approach to EC regulations on coaches. These rules leave Member States far too much latitude in their interpretation, particularly with regard to the definition of services.

Compared with its potential competitors, namely the private car and air transport, the coach transport sector has a positive balance in terms of external effects. According to some estimates, internalising costs should only increase the total cost of coach transport by 6 per cent, which proves how attractive it is in environmental terms. There are therefore good grounds for ensuring that the conditions of competition are harmonised, provided that each mode covers all its costs in their entirety. If a genuine effort were to be made to promote public transport by road, consideration might be given to creating priority lanes on congested roads for public transport. In addition, by **harmonising the length** of vehicles authorised to use road networks (the maximum permissible length currently varies from 12 to 15 metres), the operation of services could be streamlined and, at the same time, operators could be allowed to make productivity gains.

**Border crossings** can reveal some very real problems. For example, waiting times at the external frontiers of countries which have implemented the Schengen Agreement may be very lengthy, even though some favourable trends for public transport appear to be emerging. One very effective measure, for example, is to install special lanes for coaches or time windows for crossings by coaches. Governments should pay greater attention to these problems whose solution could help promote, once again, the use of public transport. If the Schengen Agreement leads to serious delays for coaches crossing the borders of this area, it should be noted that scheduled buses tend to be inspected more often than coach trips during which passengers can neither embark nor disembark.

A particularly circumspect approach should be adopted towards the **issuing of visas**, an area where competencies are spread far too widely. Moreover, the provisions relating to the responsibility of operators who transport illegal immigrants into the Schengen area have attracted widespread criticism.

When **awarding subsidies** to operators in order to meet public service obligations, governments think first in terms of the railways. It is unfortunate that systematic comparisons are not made of the cost of alternative solutions based on the use of coach services. In many cases, coach transport is markedly cheaper and offers comparable quality of service. Similarly, when the authorities compensate for the reduced fares granted to certain segments of the population, they must think about doing so for all the modes which provide similar services; many students and senior citizens travel by coach and must be allowed to benefit from the same advantages they would enjoy if travelling by train.

With regard to **working conditions**, a set of regulations relating specifically to coaches, as opposed to lorries, is required. Greater latitude is needed in the time spent on duty, but not necessarily longer driving times. The Round Table strongly emphasises the need for stringent controls in this area.

The legislation that will be adopted with regard to **cabotage**, an area which until now has been highly regulated despite several recent breakthroughs, is of paramount importance for the future of scheduled services since they will provide the blueprint for greater integration of domestic and international services.

In conclusion, the lack of research into the coach transport sector is regrettable because it is a sector that is rich in potential.

**1.2. ROUND TABLE 115**, entitled “*Road Freight Transport for Own Account in Europe*”, was held in Paris on 4 and 5 November 1999. It was chaired by G. Aberle (Justus-Liebig-Universität Giessen), with introductory reports by Messrs. M. Browne (University of Westminster), J. Crowley (University College Dublin) and W. Smolders (IRU).

## **1. Background**

Road freight transport for own account represents a major share of inland transport in Europe. It moves two to five times the tonnage carried by rail in the countries of Europe. Yet own-account transport, which is not regarded as a logistics activity, tends to be overlooked. It is not a burning issue, although a great deal is happening in the field and it is a vital transport function. Part of the difficulty in analysing own-account transport is the sheer number of different definitions of this type of transport in the various countries of Europe, with the result that countries’ experiences with it have differed.

What constitutes own-account transport varies from one country to another in the European Union. The regulations applicable are not the same – the definitions they are based on differ – and the categories of vehicle are not the same. While the regulatory framework for inland transport has changed a great deal within the European Union, mainly towards deregulation of the transport sector, the fact is that road freight transport for own account has been left to one side. The future enlargement of the European Union will exacerbate the regulatory differences in own-account transport unless a common legal framework can be established. Uniform regulations are vital and the case for harmonisation can be argued on more than just economic grounds.

Within own-account transport, there are two quite distinct categories of operation: operations in which a company transports its own goods from one place to another and operations in which tradesmen use a vehicle as a tool of their trade to transport the equipment or goods they need to their place of work. Own-account operations are typically subject to less stringent regulations than

transport for hire or reward, but own-account operators are prohibited from performing certain types of work. However, that is no reason to consider own-account transport as second rate. In some cases, it is carried out just as professionally as third-party transport.

Although fewer regulatory restrictions apply to own-account transport operators than to commercial haulage contractors, commercial hauliers do seem to be more efficiently organised. The crucial issue here is the number of empty back-hauls, which seems to be significantly higher in the case of own-account transport. As a result, the environmental record of own-account transport in terms of pollutant emissions per tonne of goods carried leaves something to be desired. True, own-account transport often involves urban goods distribution and it can be difficult to streamline operations in this sector. The building trade also makes widespread use of own-account transport and here again it is difficult to avoid empty back-hauls, given that the vehicles used are special-purpose vehicles. Streamlining transport operations is also difficult in the foodstuffs sector. Tradesmen providing their own transport represent 20 to 25 per cent of own-account transport. It is not easy for them to make more efficient use of their vehicles and they appear to have little leeway in this respect. Moreover, because vehicles with a load capacity below a certain limit – typically 6 tonnes, although this varies from one country to another – are not subject to regulation, the distinction between own-account transport and transport for hire or reward is not always clear cut. This brings us back to the problem of definitions.

## **2. The problem of definitions**

Transport services provided in return for money can immediately be classed as third-party operations. In this case, the value-added that accrues from transport is clearly identifiable. This definition is based on economic criteria. In the case of an own-account operator, transport is an ancillary activity, not the core business of the firm. It is important to note from the outset that the legal requirements are stricter for third-party haulage. Commercial operators must be of good repute, appropriate financial standing and professionally competent.

Right from the start, the Round Table pointed out that a great deal of third-party transport was virtually own-account transport, since it used dedicated vehicles (i.e. the customer controlled vehicle use) often bearing the customer's own livery. In such cases, transport operations are, to all intents and purposes, own-account operations, yet legally they are classified as third-party transport. In defining own-account transport, the actual conditions of operation should be taken into account, not just the legal criteria. Outsourcing – in some cases by encouraging former employees to become commercial operators who will then provide transport services – is common practice. In this case, too, the carrier is not really independent and the operation is not so very far removed from own-account transport. Whenever there is a dedicated contract, what we are talking about in economic terms is often, to all intents and purposes, own-account transport, whereas in legal terms it concerns third-party transport. There are, in fact, two quite distinct approaches: the conceptual and the legal.

Legal definitions serve to clarify restrictions on the type of work that can be performed, but they are misleading in economic terms. The need to regulate businesses that operate in the public domain, where the safety of other users is a factor, has given rise to legal definitions. The issue here is the restrictions that should apply to such a business in order to ensure the safety of other road users.

France is one country whose definition of own-account transport is not too restrictive. It defines own-account transport as the transport of goods by an undertaking in connection with that undertaking's primary activity. The undertaking must use its own vehicles or hired vehicles, driven by its own employees or temporary or permanent employees of the vehicle hire company. These drivers transport the goods under the direction of the undertaking performing own-account transport. This is a

definition that leaves no grey area between own-account and third-party transport. However, this is not often the case and the distinction between own-account and third-party transport is not always so clear-cut. The same vehicle can carry both freight transported on an own-account basis and freight transported on a third-party basis at the same time. It is difficult to classify any one journey as one form of transport or the other.

There are overlaps and blurred boundaries and a single vehicle may be performing a mix of own-account and third-party transport. But this is not the regulatory view. An economic definition would look at the primary income-earning activity in a value-added chain. If that primary activity is transport, then the operation is classified as transport for hire or reward.

### 3. Trends

In contrast to third-party haulage, own-account transport is typically used over shorter distances, within a radius of 100 to 150 kilometres around the company. While the salary costs are lower for commercial transport, that should not be seen as the only factor behind firms' increasing tendency to outsource the organisation of their transport operations to logistics operators. Manufacturers and retailers tend not to be interested in transport *per se*, although, after a period of over-outsourcing, major companies are now going back to a more limited form of own-account transport. Major supermarket chains, which control quality right down to the end-customer, are using a combination of own-account and third-party transport. Services associated with transport -- packaging, inventory management and order preparation -- can also be provided on a third-party basis.

While outsourcing services increases the division of labour and can lead to productivity gains, manufacturers and retailers do not outsource everything. Some experts at the Round Table thought it important to secure the regulatory, economic and social conditions for extending outsourcing throughout the economy and in the transport sector in particular. Contractual relationships, based on outsourcing, made virtual integration possible. Firms could take advantage of this to refocus on their own core business. All of this depends on the firm base. If there are no more small and medium-sized enterprises (SMEs) capable of providing outsourced transport services, then own-account transport is set to continue. At the same time, European integration, and indeed globalisation, is lengthening average transport distances. But, we know that own-account transport takes place mainly over short distances. Logically, therefore, current economic developments will give third-party services the edge, although these will be dedicated services for manufacturers and retailers, i.e. quasi own-account services.

The decline in heavy industry, the growth of SMEs and the proliferation of long-distance flows explain the decrease in own-account transport. This decrease was substantial during the period 1990-98, which saw a 30 per cent increase in the numbers employed in third-party transport in Europe and a 25 per cent reduction in the numbers employed in own-account transport. Transport is becoming an integral part of a complex chain that includes storage, production and distribution. This is why some experts at the Round Table were of the view that own-account transport was self-centred in that it was less efficient and not too concerned with environmental impact. Transport for hire or reward has made substantial efforts to reduce the environmental damage it causes: here again, the difference can be put down to efficiency. Third-party transport also offers greater cost transparency.

The development of own-account transport is symptomatic of the failure of the market to provide the services that manufacturers and retailers need. There are still services that the market is not interested in providing, for example, transport for the distribution of special products, public services such as gas and electricity, door-to-door sales, video control units, etc. This means that own-account transport is not on its way out, but is of interest mainly for goods in the low unit value category. There

are very few isolated markets, for which no third-party transport is proposed, and own-account transport develops where the market is not providing services.

In this context, restrictive regulatory measures with regard to own-account transport serve a broader purpose. As well as the safety-related objective previously mentioned, they are also aimed at preventing unfair competition, since own-account operators who also engage in hire or reward operations can always price such services at marginal cost, rather than having to break even on them. Be that as it may, it is absolutely essential that the same safety standards apply to both forms of transport.

In the view of the Round Table, consideration should be given to extending the right to provide own-account transport to subsidiaries of the same manufacturing group or conglomerate. Restricting the use of own-account transport to the smallest legal entity of the group has prevented transport capacity being fully utilised. If the use of own-account transport were to be extended to the whole group, capacity could be utilised more efficiently and empty back-hauls which cause needless environmental damage could be avoided. The consolidation of flows would lead to productivity gains all round.

When transport regulations were first introduced in the 1930s, the aim was to protect the railways. Later, the aim was to protect road hauliers from harmful competition. While it is still important not to limit the free choice of shippers, now that the transport sector has matured, the notion of potentially harmful competition in the freight transport sector is no longer relevant. This said, so as not to penalise transport for hire or reward, if we do broaden the scope of own-account transport, it must be expected to comply with the same operating rules as third-party haulage. On this basis, the Round Table put forward a strong case for extending the transport licensing system to own-account operators, by satisfying the same basic eligibility criteria as for third-party haulage. It is not, in fact, conceivable to directly authorise own-account transporters to transport for hire or reward as they are subject to less stringent regulations. But by subjecting them to the same rules of access to these licences, notably to the same conditions of access to the profession, they would become fully authorised third-party transporters. Under these conditions, own-account transport would be authorised to carry out transport for hire or reward. During the period 1970 to 1977, own-account operators in the UK were able to carry for hire or reward if they so desired without any ill effects on the market.

In the CEECs, international own-account transport is growing where it is subject to the same regulations as in the EU. In the domestic transport sector in countries which do not regulate entry into the profession, own-account transport is on the decline and care must be taken to ensure that the imposition of entry regulations does not lead to a resurgence. However, with a view to entry into the European Union, a common basis should be established through measures that allow for a period of transition.

The Round Table recognised that there were three current restrictions on own-account transport that could be lifted by:

- authorising the hire of drivers with vehicles, in order to allow greater flexibility; this point, however, was not agreed upon unanimously during the Round Table;
- authorising own-account transport within a group of companies;
- introducing non-obligatory vehicle registration where it is at present obligatory.

On this last point, the Round Table tended to take the view that own-account operators should be encouraged to meet the same basic requirements as professional hauliers, so that they could be permitted to provide third-party transport. However, some experts were reluctant to see a revival of

own-account transport. They took the view that commercial hauliers were better placed to make use of the most advanced developments in logistics, which was becoming an increasingly complex business, and that promoting own-account transport was tantamount to promoting a form of transport that was not at the leading edge. Others pointed out that even with the relatively liberal approach taken in some countries, particularly France, own-account transport was in decline. Bearing this in mind, by making the same basic requirements applicable, licensing own-account operators to carry freight on a third-party basis is likely to have only a marginal impact.

Clearly, what is needed is a common regulatory base, notably on the conditions of access to the profession, that is applicable to all and as simple as possible. From this standpoint, what we need is not to restrict capacity, particularly in the CEECs, but above all to enforce compliance with safety and environmental regulations and working conditions. There would still be protected markets for own-account transport, some of them among the emerging markets. This has been the case for transport generated from commerce by Internet, which at present is catered for by own-account operations. With this type of delivery pattern – multiple origins and few drop points – commercial hauliers have been put off by the extremely high entry costs. But that may prove to be only temporary.

Deregulation and globalisation have increased competitive pressures, helping to bring down prices and improve the quality of services provided by professional hauliers. Own-account transport should not be left out of this general trend. However, it is not enough simply to relax the regulations so that own-account operators can provide hire or reward transport. The important thing is to adopt the same basic rule for all types of transport, although specific categories such as transport by tradesmen should be excluded. Flexibility, i.e. the greater responsiveness that own-account transport needs if it is to be more efficient, should be the goal that guides policymakers. As a minimum, the hire of vehicles with drivers and own-account transport between subsidiaries of the same group should be authorised. However, the real aim, once again, is to ensure that there is a common regulatory basis that will also be applicable to the CEECs after a period of transition. If we are to improve the performance of own-account transport, we will have to apply the same regulations to it as to third-party transport and, as a corollary, allow it the same freedom.

This, in turn, means that own-account transport must be liable to the same penalties for breaches of the regulations, up to and including withdrawal of operating licences. In fact, it is not possible to put the two forms of transport on the same footing without subjecting them to the same penalties. Governments must adopt an integrated approach to the transport sector, and harmonising penalties is part of that approach. This said, licensing systems can be unwieldy to manage, and licences should therefore be required only for vehicles above a minimum size, and thus exclude the self-employed who transport for work purposes. Lastly, personnel working in different transport fields should receive the same training, so that they can move from one field to another without difficulty.

#### **4. Conclusions**

The general trend has been for a shift away from own-account transport throughout Europe. The deregulation of the commercial haulage sector has been a major contributing factor. With deregulation, prices in the sector have fallen, service quality has improved and operators have been more flexible in responding to logistics requirements. Providers started offering services that more closely matched needs, an interesting development in more than one respect. However, the decline in own-account transport cannot be explained solely by the deregulation of the professional haulage sector. Certainly, manufacturers and retailers refocused on their core business dropping ancillary activities, including own-account transport. They outsourced all activities that were perceived as non-core.

Given the foregoing, it is important to safeguard the freedom of choice of manufacturers and retailers in this ultra-competitive economy. However, a move towards integrating own-account and third-party transport does seem necessary, since it is no longer appropriate to treat them as two separate categories. For some, however, it is not necessary to go so far: the simplest solution being to decide that own-account transport cannot carry out transport for hire or reward, except where becoming public transporters, which would imply that they fulfil the requirements for access to the profession of public transporter. On the contrary, in order to effect this integration, restrictions on the hire of vehicles with drivers should be lifted for own-account transport. The ability to hire vehicles with drivers will ensure greater organisational flexibility and, moreover, is already allowed in some countries. Preventing hire-ins with or without drivers is a restriction for which there are no valid economic grounds, even though this view was not unanimously held during the Round Table. Next, transport for own account should be authorised between subsidiaries of the same manufacturing group, which is not the case at present. Allowing own-account transport between subsidiaries would enable efficiency gains (less empty running). One of the criticisms that has frequently been levelled at own-account transport is that it is inefficient.

It is crucial that own-account transport can only carry out third-party transport if it satisfies the same basic conditions as for professional transport. Where this has been tried (in the United Kingdom) no distortion to the road transport market resulted. A licence should be required for any firm operating more than one vehicle for own-account transport, but not for tradesmen using small goods vehicles to transport the tools of their trade or for transport over very short distances. Other than in these cases, the basic requirements for own-account and third-party transport should be exactly the same, particularly the regulations on driving time, safety and vehicle emissions and driver training. It is important to remember that exactly the same professional standards should apply, whatever the form of transport.

If own-account transport is to be efficient, it must meet the same requirements as transport for hire or reward. This will enable better utilisation of vehicle capacity, without disrupting transport markets.

In this respect, own-account transport should be subject to the same controls as transport for hire or reward. Penalties must act as deterrents and harmonisation of the penalties in Europe is strongly recommended.

If each EU Member State sets its own regulations, as it is entitled to do under the subsidiarity principle, we will be confronted with conflicting regulations and will be unable to adopt a common stance in Europe, particularly but not exclusively on vehicle hire. It is absolutely essential that we have framework conditions which have been adopted by all and which have not been overly dictated by the subsidiarity principle.

In the medium term, the aim should be to harmonise the position in the CEECs with that in the European Union, but a transition period must be arranged. This cannot all be done overnight. As the economies of the countries in transition become more open, transport is expected to grow strongly and own-account transport may emerge as a safety valve. However, here too, we should endeavour to ensure that transport is efficient by bringing the requirements for own-account transport into line with those applicable to transport for hire or reward, in other words, by requiring a licence for third-party operations in order to optimise the utilisation of transport capacity.

**1.3. ROUND TABLE 116**, on the topic "*Transport of Waste Products*", was held in Paris on 16 and 17 December 1999. The Round Table was chaired by Mr. B. Gerardin (Gerardin Conseil, Toulouse) and opened with papers by Messrs P. Dihlmann (Ministry of the Environment,



Baden Württemberg, Stuttgart), G. Koschany (BGL, Frankfurt a/M), C. Rippert (ADEME, France) and Messrs T. Donnelly, G.K. Anderson and J. Rigg (University of Newcastle upon Tyne).

## 1. Identifying the challenges on the basis of statistical data

Waste products can be classified into six categories according to their origin, namely: household waste, municipal waste, building and construction waste and waste from the agro-food industry and agriculture. All these wastes, apart from agricultural wastes which are processed on the farm, are transported. Thus France generates some 800 million tonnes of waste a year, of which between 350 and 400 million tonnes are transported. Two sectors account for the bulk of the waste products generated, namely, the building and construction industry, i.e. in-fill and rubble, and the agro-food industry.

In France, a survey of 600 firms showed that waste movements amount to some 22 billion tonne-kilometres a year. The average distance over which waste is transported is almost 45 kilometres. Road transport accounts for approximately 81 per cent of total tonne-kilometres. Rail is used to transport industrial and municipal wastes. The waterways are used for the transportation of wastes from the steel industry, agriculture, local authorities and ordinary industrial wastes. As a general rule, it is very difficult to analyse the pattern of collection. The same is true of waste recycling in that little is known of the volume of international flows of such wastes. Similarly, little information is available on the recycling of urban waste, although it remains a fact that the mode of waste treatment has an impact on transport.

A closer look at the firms transporting waste in Germany reveals that most of them are small. Again in Germany, there are conventional landfill disposal sites in the new *Länder* which charge low rates and which are heavily used by waste transport operators. However, some of these sites are currently being converted into waste processing facilities. Because of the growing impact of recycling and recovery policies, waste incinerators have been operating at low levels, which means that there is now overcapacity in this area. However, some of the experts at the Round Table felt that incinerators needed to be kept in service because recycling was not a viable option in all cases. From this standpoint, waste disposal facilities need to have a guaranteed minimum level of activity, even if the current decline in waste disposal, due to the export of wastes for recycling abroad, would seem to argue against this.

Recycling would appear to be less expensive than disposal and can therefore accommodate the cost of transporting waste. The experts at the Round Table felt that the general approach to waste products lacked rigour and that the boundary between recycling and disposal needed to be defined more clearly. Action in this area is required at the international level.

In view of the fact that rail transport can only be considered for distances greater than 50 kilometres and the general desire to dispose of waste at local facilities, wastes are primarily transported by road and the environmental balance of waste transport operations is not at an optimum. However, a rigorous analysis, based on the collection of internationally comparable data, is not available with regard to all aspects of the collection and treatment of waste. A review of certain current practices could provide a basis for a code of good conduct in environmental terms.

Waste products are an integral part of the economy and the proportion of wastes that are recycled is rising, which in the long term should lead to a substantial reduction, to minimal levels, of final waste products. Fifty per cent of scrap steel is recycled and a large proportion of paper and glass waste is recycled too. The problem is by no means straightforward in that 50 per cent of waste products will have to be recycled by the year 2010 and 70 per cent by 2020. It is therefore necessary

to slow the growth in movements of hazardous wastes, but what would appear to be a simple change is in reality far more complicated, in that reprocessed wastes may be classified as raw materials of vital economic importance, particularly for countries whose economies are starting to grow.

Recyclable wastes represent fully-fledged secondary raw materials tailored to meet specific requirements. Other waste products are simply wastes. Nonetheless, operators must take account of the classification of existing products, which may be incomplete. Fortunately, classifications can evolve in the long term and there is therefore scope for change. However, there are few grounds for optimism in that, depending upon the type of recycling, classifications in Europe vary from one country to another and different countries have different values for toxicity and levels of hazard. When considering this point, the Round Table felt that there was no point in legislating simply for the sake of introducing regulations, and that it would be preferable to pursue a given objective, which in this case could be protection of the environment. For example, authorisations might only be issued for operations aimed at safeguarding the environment. In this respect, reductions in toxic emissions and greenhouse gases might in the future serve as criteria for what can and what cannot be tolerated.

In terms of statistics, too, it is difficult to distinguish between an industrial product and reprocessed waste. Classifications are hard to interpret; in addition, imposing restrictive definitions on waste products might diminish the importance of this sector within the economy. This leads to problems regarding the interpretation of the available statistics. There would therefore seem to be little chance of obtaining standardised and detailed statistics for all European countries. While countries always have a duty to improve their statistics, care must be taken not to design statistics to perform additional functions. Admittedly, some phenomena need to be recorded in order to assess their order of magnitude, but there is no justification for advocating excessive refinement of the statistical instrument. In this respect, some experts at the Round Table felt that it was better to be more or less right than to be accurate but wrong. What this means is that it is extremely difficult to establish reliable forecasts of waste transport. One recommendation to emerge from the work of the Round Table would therefore be to ensure that the only statistics available are those that can help to inform policymaking so that policymakers can have an overall view based on a minimum amount of reliable information.

There are administrative and legal obstacles to the recycling of wastes, particularly when the products in question are highly toxic. Having said that, it may be noted that recycled products are transported over far greater distances than untreated household waste. Moreover, in the vicinity of towns where facilities are already saturated, moving disposal sites further out is a necessity and the need to transport wastes increases. It is therefore possible that in future each mode will have a role to play. This will undoubtedly be the case when the transportation of waste is accorded the same importance as the treatment of such waste. It might even prove necessary to abandon the idea of small-scale treatment centres in that high-capacity waste treatment facilities are easier to make economically viable than small-scale, scattered centres owing to the amount of fixed plant required and the cost of treating emissions. In addition, politicians are aware of the importance of flow logistics, which may prompt them to take decisions in favour of other modes of transport rather than road. In this particular instance, the most suitable mode can be determined on a case-by-case basis.

## **2. Changes to the regulatory framework**

The Round Table experts recognised the importance of introducing a bill of lading that would allow wastes to be tracked from their point of origin to their final place of disposal. Waste products must be identified at source and monitored, particularly hazardous wastes which must be tracked from the time they are first created so that the potential risks they present can be foreseen. The ultimate aim is to ensure the full traceability of wastes so that measures can be taken to ensure that those generating

and transporting wastes can be made accountable. Once again, this applies primarily to hazardous wastes. The person producing waste remains responsible for what will subsequently happen to his products and is responsible for ensuring that the transport operator has both the requisite skills and the appropriate equipment to transport his wastes, hence the interest in establishing a register of waste transport operators which would indicate whether they have been approved for certain types of operation.

Legislation does not always have the desired effect. However, what is important is to eliminate inconsistencies between countries, notably between EU countries and the countries within the OECD area. What is needed is a global “image”. But the regulatory context, as it stands at present, is highly complex and needs to be unified and simplified. Legislation has been enacted in response to various scandals and it is doubtful whether it meets current requirements. In Germany, for example, over 250 000 bills of lading are issued each year. It is physically impossible to monitor and check all these movements, and yet proof has to be provided that hazardous wastes actually do arrive at the destinations specified in the forms filled out by operators.

The European Union has banned waste exports from the EU area. The Basle Convention bans exports of dangerous products to developing countries. There are problems, however, over the classification of wastes. OECD Member countries are attempting to bring their legislation into line with the Basle Convention, but are finding this difficult.

In view of the complexity of the legislation relating to waste, some of the Round Table experts felt that the legislation needed to be simplified and that greater flexibility was needed with regard to wastes which were not hazardous. Transferring wastes from one country to another, for example, poses many problems. Indeed, some participants at the Round Table felt that the restrictions on the international transport of certain non-hazardous wastes could be relaxed, given that some types of material such as plastics, scrap steel and even paper are exported. Some reprocessing facilities, in order to at least break even, need to achieve a critical mass, which would require waste to be brought in from a large area - hence the importance of being able to import waste. The recycling of waste calls for waste products to be brought in from outside the immediate vicinity and thus for acceptance of the principle of the free cross-border movement of wastes, provided that the latter are not dangerous.

As matters stand at present, a variety of transport permits are issued by different countries. Each country operates its own licensing system. For international transport movements, it would be perfectly feasible to replace national permits with ECMT permits for the transport of hazardous wastes. This would make it possible to improve monitoring and to standardise the regulations, as advocated by the Round Table.

The official definition of waste is extremely vague. In particular, after reprocessing, a waste ceases to be a waste if it becomes a secondary raw material. It is clearly time to open a debate to determine at what stage a waste product ceases to be a waste product. As matters stand at present, there are too many different types of legislation that are mutually incompatible. This increases costs and acts as a brake on the transborder movements of waste that recycling may require. Moreover, verifying compliance with the regulations is also becoming extremely difficult. What is needed above all is a list of hazardous wastes with associated regulations that can be complied with by all parties. In the case of hazardous wastes, stringent regulations incorporating coherent rules are required. Regulations must be standardised rather than extensive.

The situation regarding risks can vary and there is no instant remedy for all situations. That said, rather than excessive regulation, what is needed is better surveillance. At present there are too many forms that have to be filled in and there is no link between the mass of paperwork and effective surveillance.

The signs attached to the rear of lorries to indicate that they are transporting hazardous wastes is an effective means of surveillance. Regulations are obviously needed for hazardous wastes, but perhaps not for other categories of waste. What is important with regard to the follow-up and implementation of regulations regarding the transport of hazardous wastes is to standardise the penalties in the event of failure to comply with basic rules. This requires proper account to be taken of the scope for inspection, bearing in mind that those carrying out inspections are not technically competent in all areas. Sometimes obstacles are caused not by the dispatching country but by the country receiving the waste, for reasons that remain unclear.

Besides an ECMT permit system for the international transport of hazardous wastes, the Round Table suggested that more standardised forms of legislation should be introduced for non-hazardous wastes to allow such wastes to be transported from one country to another in certain instances. What is important is to select the best means of disposal or reprocessing, *vis-à-vis* the risks entailed and to take the best option with regard to the environment.

### **3. Economic and environmental balance of waste transport**

Waste transport accounts for 5 per cent of the energy consumed by the transport sector and 15 per cent of freight transport in tonne-kilometres. Over 80 per cent of waste transport movements are by road. Household waste is collected by means of vehicles which have a limited carrying capacity but which nonetheless consume 70 to 100 litres of fuel per 100 kilometres. In addition, the fuel used is diesel, which means that vehicles emit soot, sulphur and other compounds. These emissions are particularly harmful in cities, where their concentration can pose a threat to public health. It is for this reason that action urgently needs to be taken in cities with regard to the type of vehicle used. One possibility might be to switch to gas-powered or electric vehicles that meet Euro standards 2 or 3. With regard to urban logistics, it is the equipment used that needs to be changed.

Furthermore, it is important to adopt an overall approach in which an attempt is made to optimise all the stages in the collection, storage, transfer and treatment of waste. It is therefore necessary to compare the energy savings afforded by recycling and the cost of transporting waste products for recycling. In many cases the value that can be derived from recycling outweighs the transport costs. It is nonetheless important not to separate transport from the overall policy towards waste treatment. A multi-criteria process may be needed for decision making.

Producing secondary raw materials often generates less waste than the normal production of raw materials and usually results in less air pollution. This can offset any additional costs for transport. A comparative study should also be made of incineration, which can compete with reprocessing. What is needed is an assessment of the various options in terms of tonne-kilometre greenhouse gas equivalent, while allowing for the fact that the principle of local disposal is not appropriate for certain types of waste.

For the sake of efficiency, problems need to be solved before they arise. Waste generators should think in terms of the environment. Major companies have control over product life cycles and can provide for the recycling of materials. By taking account of greenhouse gases at source and local emissions, it is possible to make a detailed evaluation.

At present, transport is not, in fact, expensive and does not make up the difference in costs between disposal and recycling. If transport costs were higher -- i.e. paid at the real rate recognised by many transport economists -- then numerous logistical chains would have to be redesigned. Because transport costs are low, it is economically viable to send waste abroad for reprocessing or disposal to

countries where environmental standards are less stringent. It is worth noting that turnover in the recycling sector amounts to USD 160 billion world-wide with FRF 20 billion allocated to research and development.

Management systems in some industrial sectors owe much to the recycling economy. On the whole, however, few comparative studies have been made of recycling versus disposal to determine which option is preferable from an environmental standpoint. It might perhaps be advisable to review the functional aspects of sectors, with public-private partnerships, prior to the planning stage when it is instructive to finance comparative studies.

The question arises as to whether the objective is to maximise the profits of firms or, in more global terms, to protect the environment in accordance with a multi-criteria approach. In this respect the Round Table did not reject the idea of a carbon tax to contain polluting emissions and transport consumption. This point is controversial, however, in that it would seem to be clear that road transport pays for the costs of its infrastructure, which is not the case for other modes of transport. The answer might be to tax carbon consumption and at the same time reduce taxation on the labour factor, of which there is both a surplus -- as the level of unemployment in Europe shows -- and which is over-taxed. A consensus on this point could readily be achieved.

However, some experts argued that insufficient information was available on environmental costs to be able to put in place a suitable tax on polluting modes. This point of view was strongly criticised at the Round Table. There are many studies available, produced by a variety of institutions including the ECMT and the European Commission and it can no longer be argued that nothing is known about environmental costs, particularly in view of the fact that opinions are in agreement.

In the past, waste products were transported by small companies. Over the past decade, however, there has been concentration within the branch. At the same time, transport firms have moved on from haulage alone to a much broader supply of logistical services, to the point that some suppliers, relatively few in number, offer all the services in the recycling chain. Waste transport is a specific branch in terms of the equipment used, the organisation of sectors and personnel skills. As a result of this, contractual links may be established between public authorities and specialist operators capable of supplying transport services.

It has been shown that, for every FRF 1 000 spent on treating household waste, half is accounted for by logistical costs, of which 70 per cent are for collection, 12 per cent for treatment and 16 per cent for transport before and after treatment. In the case of special industrial wastes, the logistical costs are higher. Transport costs are a factor in the competitiveness of industrial branches involved in demolition work. In the case of paper, which has low unit value, transport costs can make the difference between branches. Furthermore, factories are no longer sited near to towns, which makes transport an increasingly important issue.

Road, together with the inland waterways, although to a far lesser extent, is the only mode of transport used. Rail is too expensive, although if high tonnages can be transported to a limited number of concentrated sites then rail can offer economies of scale. It is likely that politicians in decision making positions in regional government will subsidise equipment capable of ensuring that transport systems are innovative and environmentally friendly.

Upstream in the chain, road vehicles are always used to collect wastes. Rounds can be organised to collect waste from several suppliers, in which case time is more important than distance. In such cases, transport services are usually on an own-account basis. Transport services downstream from collection are rarely on an own-account basis and the most common form of transport in continental Europe is road haulage. Maritime shipping is particularly competitive for exports to distant countries.

An environmental balance consists in determining the modal split. This is an area where the situation is starting to evolve. Alternatives to road transport are starting to emerge and it would seem that momentum is gathering pace in Europe towards a modal split that is not systematically weighted in favour of road in all stages of waste transport. Technical advances, for example, are now providing rail with access to the provision of transport services for raw and recycled waste. A prudent approach is called for, however, in that rail is not particularly flexible in cases where collection and transport are integrated. Rail is poorly suited to the provision of local services. Once the volume of flows starts to rise, however, the use of the inland waterways or rail may be appropriate. What needs to be understood is that waste treatment is part of a logistical chain of which transport is one of the links. A number of innovative systems are starting to emerge, such as pneumatic collection or the use of tramways as in St. Petersburg.

The storage of waste or shipment of waste to a transfer centre allows sufficient volumes to be accumulated for the use of inland waterways or rail to be viable. If collection vehicles are fitted with removable bodies, then large flows of waste can be transferred to rail. Caution is needed, however, in that any load break may prove expensive and the use of containers lowers the useful load.

Rail can be a competitive alternative for networked recycling industries. Additional costs are generated when rail is obliged to provide services to transfer centres that have not been designed for rail and where infrastructure needs to be created. When new facilities are introduced to recycle wastes, however, it is important that an impact study be carried out for each site so that the advantages and disadvantages of each mode can be identified.

This latter optimistic view was not shared by all participants at the Round Table. Some experts felt that there was such overcapacity in the road freight sector and that such priority had been given, through deregulation, to microeconomic efficiency that road transport had become ultra-competitive, indeed to a point that was no longer acceptable in terms of the cost to the environment. The greater the size of firms, the fewer empty return trips that were made and thus a lower tendency for firms to accept return loads at ridiculously low prices. Moreover, in many cases, the larger the firm the higher the quality of services provided, and the road haulage sector has made substantial progress in this area over the past few years. Rail, on the other hand, has not developed in the same way (at present there are serious shortcomings in terms of quality of service), which many experts felt made it relatively uncompetitive even though new transshipment technologies without platforms, that could be used throughout the rail network, had emerged in certain countries. There are clearly areas in which rail has a valid role to play; however, the use of rail is not suitable in all cases, particularly if new infrastructure needs to be built. There are certain rail networks, however, which could accommodate the solution envisaged here although to do so rail would have to be able to offer a high-quality service, an area where there have recently been shortcomings.

Reverse logistics, which is held up as the solution of the future, would appear to have its limitations in that it is not possible to use the same vehicle to transport both foodstuffs and products to be recycled. According to existing analyses, sending products through the logistics chain is four times as expensive as own-account transport. It would appear that this is indeed the case, even though it is very difficult to determine cost levels accurately.

A similar training to that applicable to the transport of dangerous materials should be required for the transport of hazardous wastes. Indeed, some experts thought that it might perhaps be appropriate to bring regulations on the transport of hazardous wastes into line with those applicable to the transport of dangerous materials. While this would be feasible, it needs to be borne in mind that there are cases where the wastes to be transported are of mixed categories and that, in addition, it is sometimes too difficult to identify the type of products transported. A classification system might

pose problems, particularly in the case of dangerous products, although the principle that should apply in such cases should be that of precaution.

## Conclusions

With regard to the regulatory environment, it would make sense to propose that regulations be made simpler wherever possible and that greater stringency be introduced in certain areas that pose a challenge in environmental or transport terms. As matters stand at present, there are many different permit and notification systems in Europe. Efforts should be made to work towards harmonising regulations within Europe through the introduction of ECMT permits, for example, for the international transport of hazardous wastes. It is primarily on this category of waste that regulatory efforts should focus. Harmonising regulations to bring them into line with those applicable to the transport of dangerous materials, while taking account of the particular characteristics of existing categories of waste, would represent a major step forward. The simplification of regulatory tools, in areas where this is needed, must be based on the traceability of flows and on a databank, operated through EDI, on regulations pertaining to the transport of waste products.

Wastes must be monitored “from cradle to grave” in cases where they generate a risk, and this must be based on the empowerment of actors and on advanced IT-based monitoring technologies.

It is difficult to identify waste flows clearly on the basis of existing statistics. It would be wrong, however, to advocate excessive refinement of the statistical tool. Nonetheless, it must be possible to collect the information needed to inform the decision making process and, in this respect, it would be helpful if a few countries were to follow the example of France (see the report by Mr C. Rippert) by collecting relevant data by means of targeted surveys.

Consideration must be given to the important role that road inspections can play in preventing infringements of regulations. Road checks are a more effective means of ensuring compliance than increasing the number of forms and other paperwork, which in many cases serves no purpose at all. However, if the deterrence is to be effective, the penalties in the event of an infringement need to be harmonised within Europe. Steps must also be taken to ensure that checks and inspections can be carried out in practice. To achieve this, it is necessary to avoid creating an excessively rigid classification system for wastes and to designate categories that are relevant. It is also necessary to clearly define what constitutes a waste in order to distinguish between waste and a secondary raw material. In addition, the situation is constantly evolving and account needs to be taken of this. For all of the above reasons, it is necessary to set up a network for exchanging information on all aspects of waste transport.

An effort must also be made to break out of the existing administrative structures, in that the principle of neighbourhood services should not always be adhered to too rigidly. In this respect, the Round Table proposed that overall balances for harmful emissions be drawn up to take account of transport movements by waste treatment sector. Some sectors may export wastes and in this respect should not be unfairly judged to be acting illegally. While the export of certain types of waste may be a justifiable option, it nonetheless remains true that the principle of limiting transport to the minimum level compatible with sustainable development should one day apply.

## 2. SEMINARS

### 2.1. Seminar “Transport Economics Research and Policymaking”

On 10<sup>th</sup> and 11<sup>th</sup> May 1999, the ECMT held a Seminar in Paris on the topic “*Transport Economics Research and Policymaking*”. Chaired by D. Bjørnland (N), the Seminar opened with papers by Messrs. A. Baanders (NL), A. Bonnafous (F), J. Engelhardt (PL), Mr. N. Foster (USA), Y. Geffrin (F), P. Goodwin (UK), U. Karlström (S), R.M. Kimber (UK), Mr. R. Krupp (D), J. Matejovic (CZ) and W. Rothengatter (D). All of these speakers were either from the academic research field or from research-commissioning government departments or agencies. National papers, outlining the situation in a number of countries, were also distributed at the Seminar. The documents presented during the seminar have been reproduced as a publication which includes a summary of the debates. The main lessons which arise from this seminar may be resumed as follows:

#### 1. Generating and organising research

##### a) *Participants in favour of public/private partnerships*

Some countries have research systems that are fragmented and that lack coherence, a situation which eventually leads to problems. This is because there are large numbers of actors sharing piecemeal contracts, which is not conducive to the formulation of an overall approach or to the emergence of long-term basic research. While the same comment does not apply equally to transport research in all of the countries of Europe, it does reflect a state of affairs which, in many respects, precludes a swift response to policymakers’ problems and cannot provide answers to society’s most fundamental concerns.

The question that arises, therefore, is whether or not there should be a dedicated body for transport research to generate a steady stream of transport issues for analysis.

There can be no all-embracing answer, as the variety of situations encountered in the countries of Europe shows. Nevertheless, it is possible to formulate some comments on this issue.

- If a single body were responsible for transport research, it would have a monopoly on such research. This is never a good idea. It would inevitably become set in its ways and in the long run would cease to be effective. In seeking appropriate structures, a framework that enables constant creativity should be the guiding principle for policymakers.
- While there should not be a monopoly on the supply side, there should not be one on the demand side either. Indeed, even the best structure for commissioning research will neglect important issues that it has not been able to foresee. It is also important to involve private institutes in defining demand. What is needed is multiple research initiators and sources of funding. The ideal would be to have three or four separate funding sources in each country.
- The operative word for governments should be complementarity. Complementarity among universities, public research institutes and consultants can ensure that competition elicits the best from each. Research contracts can forge links between all these different suppliers and commissioners of research. The most effective way to commission research is not to call on a single institute, but to arrange for competition to elicit the best studies, based on alternative approaches.



- Although demand and supply are quite well matched when it comes to short-term research, basic research is a more problematic area and may warrant a dedicated body or, alternatively, adequate programmes, since there is no doubt a critical size for carrying forward long-term activities. Clearly, in this respect, it is difficult to think of research demand as distinct from research supply.
- The advantage of a subsidised public body is that it can concentrate on basic research. It is essential to anticipate the issues that policymakers will have to deal with a few years down the line, avoiding a solely short-term approach. This is where a public body could help. Another possibility would be to award contracts through some more streamlined structure than a public body. With this approach, it would be important that the commissioning body itself undertake some research in order to be able to foresee the issues that may arise. Generally, whatever body initiates the research should itself have research experience, if not, misunderstandings will soon arise.
- If a public research body is set up, policymakers should be under no obligation to use its services. Any such body must stand on its own merits. This is part of a positive and competitive procurement strategy in which the final selection of actors is based on sound criteria. There is no ideal way of organising research, but even if we cannot plan the contents of research programmes to be as relevant as possible, we can still optimise research structures.
- The quality of a research programme is related to how clearly the policy concerns on which it is based are formulated. A clearly stated policy strategy that precisely maps out the scope of the research is vital for a high-quality research programme. Clarity makes for a virtuous circle.

The majority of participants at the Seminar supported the idea of a public body, but one that included structures for co-operating with consultants, private sector researchers, research laboratories, etc., i.e. they were in favour of a genuine partnership between the private and public sectors.

Calling on different institutes, or indeed research programmes, can lead to duplication and overlaps. Not that either approach is open to question on these grounds, since overlaps can provide confirmation that a given policy response is correct or indeed, where responses differ, point to the need to cross-check them. As a rule, unlike oversights, overlaps do no harm. However, duplication may be due to a lack of diversity among the bodies responding to calls for proposals. Ideally, we should be able to encourage new players to enter into the research field, since multiple actors in closely related fields of research can spark off new ideas. Care must nonetheless be taken not to waste resources and duplication must therefore be kept in check. It is important not to have too great a number of funding recipients, but small and medium enterprises (SMEs) can and, what is more, should be used in research. Original thinking has nothing to do with size and may even be inversely proportionate to it in that small structures can focus all their energies on certain specific issues without acquiring attitudes and habits that stifle initiative. One of the issues to be resolved from this standpoint is the red tape that accompanies many research contracts: SMEs cannot afford to devote too many resources to administering these contracts. SME involvement is a feasible idea no matter what the size of the country concerned. Of course, one may wonder just how small a firm can be without quality suffering, but experience has shown that small firms that also invest in maintaining high levels of expertise are rarely inferior. Consequently, finding an appropriate structure for integrating SMEs into research programmes could prove worthwhile. On this point, the evaluation of the European Union's Framework Programmes is not yet conclusive enough. Integrating SMEs in vast research programmes is a difficult exercise in itself: small- and medium-sized firms can be put off by all the administrative formalities, by the need to secure co-funding where this is an explicit requirement -- which is a problem for small teams and not always appropriate for solving policy

problems (it means shared teamwork) -- and by the problem of inadequate *monitoring*. One final criticism that could be levelled at many current programmes is that researchers' fees are generally based on quantity, not quality.

***b) The need for a national programme***

Another issue is whether there is a need for a research programme providing funding on a continuing basis that confers a degree of stability as regards policy concerns in the field of transport economics and sociology. In practice, research always has to compete for a budget and a research programme does provide some budgetary stability. Further, a programme focuses the attention of decision makers and can provide a constant flow of ideas in a given field; it is an effective way of integrating strategic research. A programme that gives policymakers a voice ensures the stability essential for research. However, a programme should not be so inflexible that it precludes dealing with current issues or responding to the urgent issues that are typically high on the list of policymakers' concerns. So, it must be possible to alter the priorities without reference to the main research themes -- which tend to be on-going -- that inform longer-term policy interests. In order to avoid slippage, it is important to establish the overall budget ceiling within which priorities can be altered when a new project is added.

A national programme promotes a country's expertise and keeps its knowledge base up to date. It has an educational value and helps in training young researchers: it also contributes to the expertise and training of government administrators. A national programme ensures that a country is able to appropriate research and also enables it to transpose the results of international research at national level, transport being not only a highly specific field but also highly country-specific. Consequently, it is vital to strike the right balance between national and international programmes. This could have a positive impact on training and the dissemination of knowledge. Generally, consideration should be given not only to research but also to the dissemination of research findings, and in this respect a national programme can be an effective tool.

Programmes must be formulated in terms of the actual issues facing society, not in terms of concepts. Once we begin to talk of stability as regards policy concerns, we may well ask ourselves whether stable concepts -- such as permanent indicators for measuring transport activities -- are strictly necessary. Indeed, the concepts that we define may well no longer apply by the time a project is completed. All the evidence is that problems are less prone to change and are more permanent than concepts, so we would be well advised to approach research studies from a problem-solving rather than a concept-based approach.

***c) The size of countries and the organisation of research***

Sometimes what is feasible in a large country can be difficult in a small country. In fact, it would be absurd to try to apply formulae that can only be effective in a large country to a small country. On this point, the Seminar stressed that quality of research carried out by small countries is just as high as that of larger countries.

Often, small countries remain open to research conducted in other countries. As a result, they do not have to reinvent the same concepts or repeat the same cycle of research. However, as a country's experience is unique, models cannot be transposed without exercising caution and prudence. Solutions that other countries have used can be adapted sensibly. Another possibility for small countries is to take part in the work conducted by a larger country, either by contributing to funding or by joining international teams, as is the case with the European Union's Framework Programmes. At any rate, the experts attending the Seminar considered that even small countries were capable of putting in place procedures to encourage competition and reliance on the creativity of small structures.

Open debate is one way of always ensuring that overlaps or diverging opinions, which can be mutually instructive, are identified, provided that the co-operative framework is properly organised. However, in the view of some of the experts at the Seminar, there are countries which, because of the size factor, have no need to conduct their own transport economics research and which can simply base their planning on examples taken from other countries. A small country does not always need to conduct its own national economic research, provided that research findings are disseminated properly. Small countries clearly cannot do everything, but this still does not prevent them from conducting research on their own account, which must nonetheless be to the highest standards.

## **2. Evaluation and dissemination of research**

### ***a) Relations between researchers and policymakers***

The lack of understanding between the research and policy spheres is, in many respects, a structural problem: researchers have compartmentalised their particular fields of research (for example, modal research) whereas policymakers are interested in the overall operation of the transport sector, i.e. in economic, land-use planning and environmental aspects. Decision makers tend to think that there has been too much “speculative” research and not enough into the issues -- inevitably urgent and extremely relevant -- that are of concern to them. Researchers, on the other hand, think that advances often depend on carrying out long-term research. The last bone of contention is that the findings of scientific research are often not what policymakers want. It is important to monitor research as it progresses so that the end-product is not too far removed from the needs of the research initiators. The best approach is to have an appropriate oversight structure, composed of a mix of actors from different backgrounds and specialist fields. Likewise, new faces from the scientific community should be called in to avoid perpetuating stale ideas around which a consensus can build up too easily.

The aim should be to break down the barriers between policy and research. Perhaps when research is privatised, contact with policymakers is more direct. The United Kingdom model tends to bear this out. Contact is a key factor. Depending on the structure adopted, there may be several intervening levels between decision makers and researchers. This is precisely what should be avoided, since each of the intermediate actors distorts the issues by adding their own interpretation of the issue. The way they view the issues depends on what their job is. On the face of it, direct contact between policymakers and researchers is a sensitive area, but it can also prove very productive. Communications specialists, skilled in presenting results, can also be called in. Another aspect that is always important is knowing how to present basic research to the public. However, before basic research can begin, we need institutes to enter the field on a long-term basis so that some experience can be gained. This is tantamount to saying that it should be possible to initiate research for which there is no policy mandate, simply on the basis of recognised specialists’ professional judgement. This is the prerequisite for accumulating knowledge and skills. The scale of research programmes is also a factor: it is only by ensuring some stability over time that teams can be encouraged to enter the transport field on a long-term basis. A specific problem arises for countries that have opted for all-out regionalisation of their public institutions in that it might be difficult for them to design research programmes to tackle problems at national level. It could also be more difficult for them to share operational conclusions.

A crucial point is that the people who present research findings to policymakers are not the people who were responsible for translating their policy concerns into research. This is acceptable if the presentation of research results is handled by communications specialists and the presentation of policymakers’ concerns is handled by research specialists. However, if we add to the intermediate levels and compartmentalise communications, we can easily add to the misunderstandings between

policymakers and the research community. To ensure that research findings are fully understood and that policymakers' concerns are properly addressed, the intermediate levels must be kept to a minimum. Forging direct links between researchers and policymakers can initiate dialogue, reducing the time it takes until the findings can be factored into the problem evaluation process. Otherwise, the incubation period, before research can influence the policy context, will be one of several years.

Admittedly, there is often a conflict between the academic and the social utility of research, a point that was made several times in the course of the Seminar. The assessment of academic utility is based on formal criteria, while social utility is assessed on the basis of the relevance of research. To end this conflict, a culture of exchange, in which people move from one field to another, must be fostered; i.e. professional mobility and new lines of inquiry should be encouraged. By setting up forums in which each can present its work, the two spheres of research (academic and policy), which usually ignore each other, could be reconciled. From this standpoint, Europe lacks an equivalent to the Transportation Research Board. Attitudes have to change, starting in the academic world, where being both a faculty member and a consultant is frowned upon. With this in mind, the gap that separates professional and scientific journals would have to be narrowed.

### ***b) Evaluation***

No sooner are a study's findings mentioned than the subject of its evaluation comes up. This is a sensitive subject, given the gulf that can separate scientific or academic evaluations, which are based on formal criteria, and the practical relevance of the conclusions of a study to solving a problem or set of problems. Academic evaluation can be criticised for focusing too much on formal criteria, which do not always guarantee a study's relevance, i.e. what it tells us and how relevant it is when it comes to effecting change in the particular field of application. As far as transport is concerned, a study's input in decision making is certainly more important than any purely intellectual appeal it may have. This is why evaluations of research quality cannot be left solely to the academic community. However, while it is possible to verify the scientific relevance of an econometric forecasting model in the medium term, when it comes to issues such as optimum infrastructure pricing or environmental economic theory, which have an irreversible impact on decision making, then it is still very difficult to assess the relevance of certain conclusions. In any case, research findings should be disseminated so that they can be discussed widely outside the immediate circle. Wider dissemination could usefully supplement direct quality control by the commissioning customer and indirect quality control by the research community. Evaluation can indeed be a sensitive subject since it can encourage conservative attitudes and the status quo. What is really needed, if attitudes and approaches to analysis are to change, is, on the contrary, broad-based evaluation. This is the only way to avoid self-evaluation. Where there is a public institute, it is essential that evaluations be conducted not by its own staff but by specialists who are not involved in any internal disputes. Lastly, research programmes should be evaluated, as well as the actual research conducted.

To assess research quality, international evaluation is needed. However, to avoid the situation in which research is assessed only after it has delivered its findings, with the risks of disappointment that this entails, it is advisable to:

- define clear key stages at which reviews can be carried out at regular intervals;
- ensure that the research is monitored very closely;
- involve the client right from the beginning; and
- establish criteria for selecting research organisations working in similar areas to evaluate the end product.

A review culture, bringing together funding sources and research suppliers, should be developed. The tendency of universities to allow critical review only once work is complete is counterproductive.

It is essential that people other than the commissioning customer take part in evaluations. This second line of indirect control by independent third parties, generally from the international community, supplements direct quality control by the commissioning customer. Evaluations should cover not only scientific quality but also the relevance of the research to the transport sector.

Furthermore, research findings should be presented to the wider scientific community, which would then be able to assimilate the main results rapidly. At any rate, the evaluation process should be factored in from the outset and an evaluation climate should be fostered as an integral part of the research process. Evaluations can be very costly, hence the need to define strategies clearly. Foreign researchers who are recognised experts in this field could be called in for this purpose. Clearly, a budget should be earmarked from the outset for this purpose: evaluations cannot be conducted on a voluntary basis alone. Provision should be made for paying those conducting the evaluation and for covering their expenses.

### *c) Dissemination*

Researchers find it difficult to break out of their isolation, all the more so because often they do not really think that their work has an impact. They may lack the necessary communication skills to explain their work. The readership of scientific papers is small, a state of affairs that seems unlikely to improve in the near future. All of the above points are related to the communications policy of the institute to which the researcher belongs. The best approach would be for research laboratories to employ qualified communications staff to disseminate the operational conclusions of their research work to the media and opinion-formers.

There is real potential for communications in scientific research: the public is increasingly aware of the implications for society and decision makers are increasingly qualified. Hence the need for specialists in communications problems to disseminate results. Moreover, since the scope of decision making is wider these days, the researcher's ability to analyse and synthesise is valuable to policymakers, even if the actual decision still calls for a policymaker's intuition (where there are factors that go beyond pure economic logic). We should also bear in mind that research taken in isolation can never explain more than a few aspects of a global process. The knowledge that flows from one piece of research is relatively small, compared with the stock of knowledge required to obtain the overall understanding that the problem requires. This is why it takes time for research to become relevant. It could also make it more difficult to recognise the value of a piece of research and therefore could affect whether or not it is publicised beyond the circle of insiders. Evaluation, it should be noted, is a key factor in changing mentalities.

It is vital to think about disseminating results when defining research objectives. Researchers should be aware of the importance of practical applications and the dissemination of their work at a very early stage in the process. This issue also concerns institutions, inasmuch as research organisations are responsible for publicising the quality of the work that they conduct. Four basic principles should be priorities for dissemination:

- Target groups, to which the results of research should be disseminated, must be defined;
- Not everything should be disseminated, only essential information should be selected;
- A separate budget for dissemination is essential, otherwise those communicating the information will be too close to the researchers and not close enough to decision makers;
- Preliminary results should be published, without waiting until the final results are known to disseminate conclusions.

By staying in constant contact with opinion formers, i.e. the media, it is possible to build up a consensus on research conclusions. Newspapers, television and open forums can be springboards for

getting research findings across to the public. In fact, it may also be important to take a hands-on approach to some of the means of informing the public debate in order to raise the standards of that debate. It is clear, too, that private sector actors, such as industrialists, have a duty to disseminate the research carried out by their companies. While it is not necessary to disseminate all research findings, industrialists nonetheless have a duty to carefully select the information that should be released for public debate. The process of translating research into material for public debate calls for specialist journalistic skills. The content should be concise in order to avoid overloading people with information but, in general, those providing information should be willing to discuss their research results. Preferably, information should be disseminated directly through researchers and not through ministries.

### **3. New research directions**

Whenever researchers approach a problem they tend to simplify it, which leads them to produce simplistic solutions to the problems. While this is not a widespread trend, it is a trap into which any researcher may fall. For the participants at the Seminar, research should focus on solving problems one step at a time. In contrast to pure research scientists, consultants have to talk to their customers and identify an approach suited to the latter's requirements. Without in any way wishing to draw comparisons between consultancy and basic research, it would be fair to say that each is suited to different circumstances. What matters most is that the two worlds meet and communicate. Both are operating in a context in which the search for new methodological tools and reliable data on transport is the overriding concern.

#### **a) *New methodological tools***

Transport policy in European countries has seen very real changes in recent years. It is now addressing the issues of infrastructure pricing for all modes, sustainable development, the privatisation of certain public services, 'traffic calming', improving public transport, etc. This list is not exhaustive and European transport policy offers many other opportunities for multidisciplinary work. In contrast, some, not to say the majority, of the participants at the Seminar thought that the methodological tools used had not changed at the same rate. The implications of the prevailing research paradigm are that choices are irreversible and that the order in which decisions are implemented does not influence the outcome, simply because the concept of equilibrium has left its mark on the research community. This is a tempting concept and one that pervades all the models, but it is misleading, since it does not really represent reality. In real life, choices can vary, lag times and dynamic processes – phenomena not frequently addressed by researchers – are important. It can be argued that simplifying economic theory does not work, we should start again with new instruments, based on tools from different disciplines, that will enable us to take into account the asymmetry of effects, reversibility, the importance of sequence, time lags and cumulative phenomena. To be effective from a policy standpoint, new dynamic concepts must be developed. Research into process, not end-states, should be developed and would require a fundamental shift in the type of data collected and the procedures used to analyse them. The foregoing warrants a radical rethink of how research is organised. Among the new directions, today we should be focussing more on the problems of redistribution than maximisation, or on developing real-time continuous monitoring, not just *ex post* monitoring. This said, the integration of the different disciplines is not easy – the scientific community has been proposing integration for years now without any very positive results – but it is a sufficiently promising area to warrant allocating resources to it.

## ***b) Appropriate statistical data***

One point strongly emphasised during the Seminar was that the limited statistical data available made it extremely difficult to carry out effective and meaningful research. With the deregulation of transport and the regionalisation of certain decision making processes, the situation is getting worse. Although some data are too detailed or too expensive to collect, the gaps in statistical coverage are too large to be ignored. Some transport policy decisions cannot be evaluated without at least a basic statistical apparatus. Governments have a duty to address this issue and to take vigorous action, for example, when a sector is about to be deregulated, to request operators to supply statistics. The data must be made available and must not be allowed to become proprietary. Generally, it is apparent that decision makers will have to be convinced that they should invest money in data collection.

## **2.2. Seminar “Transport Benchmarking: methodologies, applications and data needs”**

The ECMT, in collaboration with the European Commission, organised a joint conference on “*Transport Benchmarking*”. Benchmarking practices, already widely used in economic sectors, and despite being a particularly effective tool to improve the efficiency of enterprises, are hardly applied to the transport sector.

The conference was held on 22 and 23 November 1999 at the OECD. It brought together practitioners, university experts and representatives from governments and international organisations. Their aim was to understand and study concrete examples, and to see how these methods can be applied to the public sector or at the international level. The main contributions and presentations made during this conference will be issued in publication form in September 2000.

The conference responded to its assigned objectives, in the form of three questions, in the following way:

### **1) What is benchmarking?**

This seems to have been the question to which the conference gave the best reply. However, the reaction of certain participants shows that *benchmarking encompasses different practices*. The same basic concept produces differing interpretations: benchmarking is seen as a simple statistical tool, as an effective means of applying political pressure, as a process of determining standards, or as a process of comparative analysis.....there is no simple answer to the question. Benchmarking covers different practices which have the common goal of comparing oneself with others. But they can lead to more elaborate practice, dynamic or static, and more or less codified. At the conference we saw examples of success, but we were also shown fields in which this instrument has not worked as expected.

The conference showed the need for an all-embracing approach if effective use is to be made of this type of initiative in the transport sector. In order to produce transport networks of high quality, it is necessary to benchmark the entire supply chain, keeping in mind the single market and new technologies. Research into benchmarking must therefore be developed, and it would probably be advisable to launch research programmes on particular subjects in order to identify more clearly the areas in which this methodological tool might be applied in the transport sector.

## 2) Can this approach be of use in setting policy?

All the examples of successful cases of benchmarking demonstrate the possibility of using it to improve efficiency in the enterprises or networks concerned. With such an approach, it would be possible, by carrying out research and identifying “good practice”, to define “good policy”. Benchmarking in its most complex “comparative analysis” version really can be used to define policy.

In order to meet a policy objective of this kind, it is necessary to have concrete, measurable, clear, quantified objectives. To that end *it is imperative that politicians should be fully involved in the whole benchmarking process* and play a supportive role throughout the whole process. The way in which governments can facilitate or impose a minimum amount of benchmarking is a key element in the success of a strategy of this kind. Nevertheless, the silence of the different countries' representatives at the conference shows that many governmental authorities are adopting a wait-and-see attitude. The fact is, however, that the common factor in the successful cases of benchmarking is the high level of involvement on the part of the different actors.

## 3) What lessons can be drawn by governments, the European Commission and the ECMT?

Although the supportive role played by the political actors seems an important one, the most important task at present, the essential first stage, is to improve and harmonise statistics. While the conference enabled certain countries undergoing transition to appreciate the importance and complexity of the strategy, it must be acknowledged that these countries are at the most delicate stage of the process: that of producing sound statistics.

At this stage in the process a certain effort is required in all countries without exception; benchmarking calls for clear, consistent data. In no instance can benchmarking be conducted without sound data and sound analysis. However, as matters stand, the improvement of data is an absolute necessity since national statistics are often very mediocre. The conference showed that it is possible to improve statistics at national level by rationalising procedures: reducing the number of questionnaires, using more relevant indicators, etc. Data collection must be developed at this level and the contributions of the European Commission and the ECMT are essential in this respect. For this purpose the European Commission already uses the Internet, the purchase of data, etc., and it must continue along these lines. Problems of comparability remain, however; hence the importance of the TERM project, whose object is to improve the quality of the data collected. Generally speaking, *if benchmarking procedures are to be successful, resources must be found to improve the quality and the collection of data*. However, the relative silence of the countries' representatives reveals a passive interest. Although countries are interested, they do not seem prepared to invest very much in the field. The problem of comparison at international level is therefore likely to remain.

## B. STATISTICS

Since 1991, co-operation between the United Nations Commission for Europe (UN/ECE), the Statistical Office of the European Communities (EUROSTAT) and the ECMT has been strengthened considerably in the sphere of statistics by the establishment of an Intersecretariat Working Group in which the ECMT Secretariat participates actively under the supervision of the Group of Statisticians.

After completing, in 1994, the chapters concerning railways, roads, inland waterways and oil pipelines for the first edition of the common transport statistics glossary, the Intersecretariat Group



finalised the chapters on maritime and multimodal transport. The new definitions have been included in the second edition of the glossary published by the UN/ECE in 1998 and are also available on the ECMT's World Wide Web site. ECMT organised a workshop in 1998 to continue work on the chapter dealing with transport-related accidents. This work had been previously suspended due to problems encountered with EUROSTAT on the "CARE" database for road accidents. The third edition of the common transport statistics glossary will include a chapter on road accidents.

The joint questionnaire, finalised by the Intersecretariat Group, has already been used several times and was used to gather data for 1997. It may be recalled that this questionnaire considerably reduces the work of those responsible for replying to statistical surveys in the countries concerned and means that they do not have to provide what can sometimes amount to the same information on three separate occasions and in three different formats. Furthermore, the use of a common questionnaire ensures that the statistics published by the three Organisations are consistent. Since the software that EUROSTAT developed to replace the CUB.X programme it designed to input replies to the questionnaire from the European Union countries and which was then abandoned in view of the difficulties encountered and being outside the scope of Intersecretariat Group agreements, the ECMT submitted a proposal for software running under Excel, which was installed for the collection of data for 1997. Due to certain difficulties encountered, a revised version of this questionnaire is being drawn up.

In order to improve data collection on road vehicle stocks and gather information to facilitate a more detailed analysis of the impact of these stocks on the environment, in 1997 the ECMT -- working with EUROSTAT and the UN/ECE -- drafted a statistical questionnaire designed to obtain information on: the number of vehicles fitted with catalytic converters, engine types, cubic capacity, etc. The questionnaire served as a basis for a pilot survey which was conducted at the beginning of 1998. The pilot proved conclusive and it was decided during the meeting of the working party on transport statisticians of the UN/ECE in Geneva (WP6), that a new survey of this sort would be attached to the joint questionnaire used for collecting data for 1998. In view of the good results, it was decided during the last WP6 meeting to integrate this questionnaire into the common questionnaire for the collection of data for 1999. This will take place in autumn 2000.

Under the supervision of the Group of Statisticians, the Secretariat prepared the following statistical material in 1999:

- The volume of *Statistical Trends in Transport* covering the period 1970-1997 is to be published in mid-2000. It will include three new countries, namely Belarus, Bosnia-Herzegovina and FYR Macedonia. This volume will be produced for the first time using the new software which the ECMT has used to prepare the joint questionnaire and prepare the publication *Statistical Trends in Transport*.
- The main purpose of the annual leaflet, *Trends in the Transport Sector*, covering the period 1970-1998, is to describe the situation in the transport sector -- passenger and freight transport, road safety -- during the latest year for which statistics are available and, with the help of charts, to illustrate long-term trends and developments. A major advantage of the leaflet is that it is published earlier than any other comparable study. The text is reproduced in the second part of the 46th Annual Report of the Conference. It includes an analysis of the transport sector in European countries which have a long-standing and well-established market economy system, and a special study on recent trends in the 20 countries in transition. Among these countries, on the one hand 11 Central European, 3 Baltic states and on the other hand 6 countries belonging to the CIS Communities of Independent States.

- The *Statistical Report on Road Accidents, 1996*. In order to make up for delays in publication, the new issue like the previous issue will cover two additional years: 1995 and 1996 and will be published mid-2000. As for the *Statistical Report on Road Accidents 1997-1998*, it should be published in autumn 2000.

An important project was launched in 1996 to create a statistical database, to be used notably for *Statistical Trends in Transport*. The project is to develop a computer system that will enable the data collected to be readily processed and circulated with the help of the electronic questionnaire previously mentioned. The system will use ACCESS 97 software and will facilitate communication between the ECMT database and various external information sources. This system will be used to produce the next issue of *Statistical Trends*, and it will be possible also to produce a diskette containing the joint questionnaire and the data received for the previous years from each Member country. This will make it easier for Member countries to correct or update data and enable computer processing of the questionnaire.

The Council of Ministers requested the ECMT to continue with the work it had undertaken on the analysis of the transport market. It was therefore decided that a document on *short-term trends in inland transport* would be issued on a regular basis. In order to fulfil this task, a survey aimed at listing all the work that the Member countries had carried out on short-term trends in the inland transport sector was conducted and the findings analysed, in 1996. From the replies, the Secretariat was able to identify the experts studying transport market trends in ECMT countries. On the basis of the information received, a pilot questionnaire was drafted at the end of 1997 with a view to collecting the data necessary to produce an initial note on short-term trends for circulation to Ministers. The aim of the questionnaire, to be sent out at the beginning of 1998, is to collect quarterly data on: the carriage of freight and passengers by rail, road and inland waterway; data on car traffic, the registration of road vehicles; fuel consumption; road transport prices; and, statistical information on the general state of the economy (imports, exports, industrial output).

The findings of the first such survey to be conducted were reviewed at a special meeting of the Group of Statisticians in June 1998. These results were found to be particularly satisfying and of great importance on a policy level, the Group decided to conduct this survey annually and to renew it every three months. All the results are already available on the ECMT web site on Internet.

To meet the growth of this survey, ECMT developed a specific computer tool in 1999. The objective of this tool is to facilitate data collection, the processing and dissemination of the data while setting up routine procedures. The results should be available on the ECMT site on Internet three weeks after the launching of each survey. This tool is already operational and the data for the first quarter 2000 will be available in June 2000 on the ECMT Internet site. No paper publication of these results is foreseen.

## C. DOCUMENTATION AND INFORMATION

### 1. Activities of the Documentation Centre

During 1999, more than 300 new publications were added to the ECMT library stock. The library also has subscriptions with more than 400 periodicals which are circulated within the Secretariat.

Among the publications issued by the Documentation Centre in 1999 are:

- The publication of volume XXXI of the “*Annual Information Bulletin*” on research in progress in the field of transport economics published in November every year and which lists over a thousand projects in progress.
- The “*Press Review*” published monthly or twice-monthly and distributed to members of the Committee of Deputies and the Economic Research Committee as well as several documentation centres.
- The Press Releases for the Council of Ministers which was held in Warsaw in 1999, one before and one after the meeting. These were widely circulated to the press and were also put on the ECMT web site.

## **2. International Co-operation**

The abandoning of the ICTED system at the end of 1998 obliged the Documentation Centre to end its contract with SilverPlatter in March 1999 for the provision of bibliographical references for the Transport CD-ROM. In conformity with the terms of the contract, which stipulated giving a year’s notice, the TRANSDOC database was regularly updated every quarter.

The documentation centre continues to maintain the database for its own use.

## **3. Internet**

The documentation centre regularly updates the ECMT web site which can be found at the following address <http://www.oecd.org/cem/>.

As of September 1999, Delegates can access all the documents of the various ECMT working groups by means of a password.

The statistics on how often the site is consulted show that the rate has risen by about 40% compared to 1998. The number of requests for information or free publications has increased by 300% compared to 1998.

## EXTERNAL RELATIONS

### OECD

Under the terms of its Protocol, the Conference is attached to the Organisation for Economic Co-operation and Development (OECD) for administrative purposes. OECD Liaison Committees have been set up to enable an informal exchange of views as and when the need arises. The contacts go far beyond the committee meetings, however, since the nature of the work in both organisations has led to horizontal co-operation, based on the complementarity principle in a number of specific sectors and at various levels, particularly that of the Secretariat. This trend has been substantially strengthened during the past few years. It is marked by mutual concern to avoid duplication and to achieve synergy wherever possible.

In this connection, the recent creation of a Transport Division at the OECD, which is responsible for the Programme of Co-operation in the Field of Research on Road Transport and Intermodal Linkages, among other areas, poses the problem of aligning the Division's activities with long-standing activities of the ECMT, particularly in the area of economic research. In the short term, both Organisations will therefore have to take steps to avoid, as far as possible, any risk of overlaps, confusion or duplication of effort that could arise from the current situation. In the longer term, they should probably try to put in place a more innovative solution that makes sense at the institutional level, is efficient at operational level and is consistent with the individual interests of all of the countries concerned. Initial exploratory contacts have now been established with this in view.

### European Union

Under a long-standing agreement, the European Union is regularly represented at sessions of the ECMT's Council of Ministers. The Commission's services attend meetings of the Committee of Deputies and, in many cases, of the *ad hoc* Groups. At each session of the ECMT's Council of Ministers, the current President of the Council reports on the latest developments in the European Union concerning the transport sector. Virtually permanent contacts are maintained between the Commission's services and the Secretariat of the Conference.

### United Nations Economic Commission for Europe

The Executive Secretary of the Economic Commission for Europe is regularly invited to attend meetings of the Council of Ministers. The Director of the UN/ECE Inland Transport Division customarily attends meetings of the ECMT Committee of Deputies. Furthermore, the Secretary General of the Conference usually takes part in the annual meeting of the Inland Transport Committee of the UN/ECE. Working relations are maintained at an appropriate level with both the subsidiary bodies and Secretariat of the UN/ECE.

## **Council of Europe**

Every two years the Parliamentary Assembly of the Council of Europe reviews ECMT's activities on the basis of a report which is discussed in the appropriate Committee before a plenary session is held, usually in the presence of the Chairman of the ECMT who then addresses the Assembly. The Parliamentary sets out its views and proposals concerning ECMT's activities in a Resolution, which is submitted for a vote. The last such Resolution was submitted in April 1999.

## **EUROFIMA**

The European Company for the Financing of Railway Rolling Stock (Eurofima) was established in 1955 on the ECMT's initiative and is based in Basle. Its aim is to assist the associated railways to acquire railway rolling stock needed for their operations. The national railways of a large number of ECMT's Member countries are shareholders. Eurofima submits a progress report to the Committee of Deputies once a year.

## **Non-governmental International Organisations**

At the beginning of each year, the international non-governmental transport organisations are normally invited to a Hearing on all topics scheduled to be dealt with during that year. More specialised Hearings are sometimes organised by ECMT Working Groups. Moreover, as often as possible, the Secretariat takes part in activities organised by the international organisations themselves. In this way ECMT benefits from the best possible account of the views of transport professionals, users and personnel and make its policies known to them.

*Part Two*

**TRENDS IN THE TRANSPORT SECTOR 1970-1998**



## TRENDS IN THE TRANSPORT SECTOR 1970-1998

### INTRODUCTION

The main aim of this publication is to describe developments in the transport sector in Europe in 1998 and to show, primarily by means of charts, how the situation has changed since 1970.

The analysis of recent trends in the European transport sector is based on data supplied by 39 ECMT Member countries<sup>1</sup> in the form of statistics expressed in passenger and tonne-kilometres. To ensure that the overall trends are representative of as many countries as possible, the indices used in several of the charts include estimates for countries which do not yet have figures available for 1998.

The report has been divided in two parts. The first part describes the situation in the transport sector of countries which have well-established market economies and which are long-standing members of the ECMT. These are the 15 Member States of the EU together with Norway, Switzerland and Turkey, plus Iceland, which joined the ECMT in 1998 and is now included in the publication. To simplify matters, these countries are referred to hereinafter as “Western European countries” (ECMT/WEST). The second part describes recent trends in 20 “transition countries” and, for the first time, includes information on Georgia. Given that the transport systems of these countries are highly distinctive and are currently undergoing radical change, it was decided to compile specific aggregate indicators: one set for the 11 Central and Eastern European Countries and 3 Baltic States (ECMT/CEECs), and a second set for the 6 members of the Commonwealth of Independent States (ECMT/CIS).

Data for the former Czechoslovakia (CS) have been taken into account up to 1992 to ensure a degree of continuity in the series over a lengthy period of time; from 1993 onwards, the data provided by the Czech and Slovak Republics have been used. Furthermore, German reunification produced a break in the series due to the incorporation from 1991 onwards, of data relating to the new *Länder*, resulting in a similar increase in the results of the ECMT as a whole.

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1. Albania (AL), Austria (A), Azerbaijan (AZ), Belarus (BY), Belgium (B), Bosnia-Herzegovina (BIH), Bulgaria (BG), Croatia (HR), the Czech Republic (CZ), Denmark (DK), Estonia (EST), Finland (FIN), France (F), FYR Macedonia (MK), Georgia (GE), Germany (D), Greece (GR), Hungary (H), Iceland (IS), Ireland (IRL), Italy (I), Latvia (LV), Lithuania (LT), Luxembourg (L), Moldova (MD), the Netherlands (NL), Norway (N), Poland (PL), Portugal (P), Romania (RO), the Russian Federation (RUS), the Slovak Republic (SK), Slovenia (SLO), Spain (E), Sweden (S), Switzerland (CH), Turkey (TR), Ukraine (UA) and the United Kingdom (UK).



## TRENDS IN THE TRANSPORT SECTOR IN WESTERN EUROPEAN COUNTRIES

### ECONOMIC ENVIRONMENT

The financial turbulence that began in 1997 took on a worldwide dimension in 1998. The year was characterised by a continuing crisis in the Asian countries -- the GDP of Japan and Korea fell by 2.8% and 5.8% respectively while Indonesia, Malaysia, Thailand and Hong Kong were also hit by the recession --, by the devaluation of the rouble and the debt moratorium decreed by Russia in August 1998, and by the financial crisis which spread to some Latin American countries and to Brazil in particular. All these pressures led to a sweeping review of the risks involved in holding assets in emerging countries, and made international investors very wary of investing in them. As a consequence, capital movements to the emerging economies fell sharply; the latter were accordingly faced with a serious liquidity crisis and had to reduce their imports at the same time as their terms of trade deteriorated sharply. The policy adjustments made by these countries in response to the situation had a deflationary effect on the world economy as a whole.

The cumulative effects of these events on world activity were considerable, with the collapse in the prices of oil (-34% in 1998) and raw materials (-14%) resulting from the Asian crisis helping to keep inflation low. Real world *Gross Domestic Product* grew by only 2 ¼ % in 1998, well down on the previous year (+4.2%). This was the lowest rate of growth of the world economy since 1991. The deceleration of world output growth also produced a significant slowdown in the growth of world trade, with international trade in volume growing by only 4.5% in 1998 compared with nearly 10% in 1997.

However, throughout 1998 adjustments to the crisis continued to be spurred by the strength of economic activity in the United States, with the US economy chalking up a high rate of growth (+3.9%) for the seventh year running thanks to very dynamic domestic demand. The reason for this remarkable performance was that US consumers continued to spend their available income, which had been boosted by the improvement on the employment front, the growth of nominal incomes, stock market gains and lower inflation. Annual household consumption had not risen by the same extent (+4.9%) since 1985. Business investment was also very buoyant (+9.6%), mainly due to expenditure on computers and information technology.

Like the United States, Western Europe initially benefited from the difficulties the rest of the world was having, especially from the fall in the prices of commodities and certain manufactured goods imported from Asia, and from a substantial improvement in the terms of trade. However, from mid-summer 1998, the economies of Western Europe were in turn affected by the international financial disorder, and by the growing turbulence on emerging markets and especially by a major crisis in Russia. This situation triggered a steep fall in stock market prices and decline in business confidence, whereas consumer confidence remained fairly strong. It led to the emergence of a cyclical "air pocket" in the latter half of 1998, which hit a large number of Western European economies whereas in the United States activity remained buoyant.

While GDP in Western Europe grew by 2.8% in 1998, *i.e.* at about the same rate as the previous year, this overall figure conceals differences both in time and across countries. Thus, while the start of 1998 was rather favourable, the second half of the year saw a general slowdown in the mature economies of Western Europe, economic growth in Western European countries attaining only 0.2% in the last quarter. As in 1997, there continued to be differences between countries that were at markedly different stages in the economic cycle. Among the major industrial countries, despite a certain recovery in France (+3.2%), economic performance was fairly modest: + 2.8% in Germany with a very sharp deterioration in business confidence from summer onwards, and +1.4% in Italy, whose GDP dipped in the fourth quarter; both of these countries clearly suffered from their relatively high foreign trade exposure and the pattern of their exports. After several years of strong growth, the United Kingdom (+2.1%) was hit by the first signs of the slowdown, with flat growth in the last quarter. Regarding the smaller economies, the salient feature of 1998 was the slowdown of export growth in the second half of the year accompanied by a weakening of domestic demand. Overall, GDP in these economies grew by only 3 ¼% in 1998 compared with 4% in 1997, reflecting the sharp turndown in activity in Denmark (+2.9%), Turkey (+2.8%) and Norway (+2.1%), which was hit particularly hard by the fall in oil prices. In contrast, growth remained very strong in Ireland (+10.4%), whose GDP has risen by nearly 60% since 1993, Luxembourg (+5.7%), Iceland (+5.0%), Finland (+4.7%), Portugal (+3.9%), Spain (+3.8%) and the Netherlands (+3.8%).

In contrast with 1997, domestic demand and not foreign trade was the main engine for growth in Western Europe. However, the slowdown in exports stemming from the Asian crisis and turbulence in other parts of the world were not completely offset by stronger domestic demand despite a fairly satisfactory level of private consumption. Furthermore, this demand tended to dip at the end of the year in many countries.

Owing to the unfavourable outlook for sales and profits, business confidence in Western Europe fell sharply from the middle of the year, in marked contrast with the consumer confidence index, which rose again as a result of continuing low interest rates, and financial gains, which boosted purchases of consumer durables and facilitated the financing of property investments on attractive terms. Consequently, *private consumption* held up relatively well in 1998, growing on average by 3% (+2% in 1997), and was the mainstay of domestic demand even though a slight slowdown started to emerge during the year. Households benefited in 1998 from moderate but steady growth of their income and from stronger gains in employment than in 1997. The fall in inflation and oil prices also helped to increase disposable income while in several countries consumption was boosted by a fall in the savings ratio.

Whereas *public consumption* remained fairly muted (+1.2%) as in previous years, quarterly changes in *Gross Fixed Capital Formation* again showed the marked volatility that had characterised them since the second half of 1997, even though overall this indicator grew by nearly 5% in the European Union (+2.9% in 1997). While rising capacity utilisation to mid-1998 together with favourable financial conditions and improved profitability fuelled business investment, the deterioration in the general economic situation at the end of the year prompted many firms to delay or cut back the investment plans, aimed primarily at streamlining and modernising production processes, *i.e.* purchases of machinery and capital goods, while construction spending was flat. The rebuilding of stocks gave a positive input to economic activity in 1998 although it too slowed in the second half of the year.

The main event in the Western European economies in 1998 was without doubt the slowdown of the growth of *exports* of goods and services in real terms, which levelled off at around +5.6%, sharply down on 1997 (+9.6%). This reflected the decline in demand from Asia, Russia and the OPEC countries. Demand from Central and Eastern Europe also fell. The resulting decline in exports by the Western European economies was less and less offset by demand from other West European countries,

whose import growth started to flag, with producers in those countries also having to face fierce competition in both domestic and foreign markets from Asian products. On average, changes in the net balance of exports of goods and services helped to reduce by more than 0.5 percentage point the growth generated in Western Europe by domestic demand alone.

Owing to the trend of both external and domestic demand, *industrial production* in Western Europe was, overall, flat in 1998 notwithstanding a growth rate of close on 3.5 % (compared with +4% in 1997) due to the large carry-over at the end of the previous year. While at first sight this figure is fairly satisfactory, in reality it masks a sharp turndown in the middle of the year, industrial output even having fallen during the fourth quarter, in marked contrast with its buoyancy the previous year. And while this average figure conceals very different situations from one country to another, with a very high growth of industrial output in Ireland (+15.7%), Austria (+8.3%) and Luxembourg (+7.7%) but fairly modest growth in Italy (+1.1%) and the United Kingdom (+0.7%) and even negative growth in Norway (-0.6%), it remains that the sluggishness of industrial output throughout the Western economy as a whole reflects to a large extent the negative effects of the spreading crisis in emerging markets, including the transition economies, and the resulting decline in manufacturing exports to those markets. Subsequently, these effects fed through to the Western Europe countries via lower levels of activity and depressed demand for trade in intermediate goods between those countries.

On the *labour market*, the trend was relatively positive in 1998. The increase in production resulted in a rise in total employment in Western Europe (+1 ¼%) with, however, a slowdown at the end of the year. Employment growth was particularly strong in small countries while the trend was more mixed in the four major economies where, on average and despite a good performance in France, growth remained weak (about +0.5%) due to stagnation in the jobs market in Germany, a gradual slowdown in the United Kingdom and a sharp fall in Italy. The increase in total employment resulted in a further fall in the average unemployment rate in Western Europe, down from 9.9% in 1997 to 9.2% in 1998.

Bearing in mind all these deflationary factors, which throughout the year increasingly affected the economic climate in Western Europe, it is not surprising that the growth of *consumer prices* continued to slow (+1.6%) in 1998, the lowest figure for 40 years. The decline in international prices explains in large part this good performance, which was also due to surplus capacity (in the steel, car, textile and information technology sectors for example) and fierce competition in the wake of the Asian crisis.

## OVERALL TRENDS IN TRANSPORT

Not surprisingly, despite the slowdown at the end of the period, the overall expansion of economic activity in Western Europe in 1998 had an impact on **freight transport**, whose output in tonne-kilometres rose by over 5.2% (+3.9% excluding pipelines) over the year, compared with only 4.7% in 1997. This strong performance over the year as whole nevertheless masks contrasting trends within the year, with a sharp turndown in freight movements in some countries during the second half of the year. The various transport modes did not all benefit to the same degree from these rather favourable conditions. Whereas road, inland waterway and especially pipeline transport all reported high growth rates in 1998, rail freight transport experienced a significant decline in its activity.

Rising at an average rate of almost 2.8% in Western European countries to a record total of 4 603 billion passenger-kilometres, **passenger transport** again progressed in 1998. This increase, which was close to that the previous year (+2.7%), was without doubt the outcome of the high level of consumer confidence and the fall in oil prices. Growth in 1998 was the strongest since 1988, making possible a return to a rate of growth close to that recorded during the period 1986-92, when passenger

transport grew on average by about 4.3% a year. It marks an undeniable break with the moderate trend (about +1.8% a year) of passenger transport growth since 1993. The latter was mainly the result of the stagnation of household disposable income and lack of consumer confidence brought about by persisting high unemployment, two factors that have clearly lost much of their force since 1997. The overall increase in passenger transport reported in 1998 was once again due mainly to growth in road transport by car but also to the strong showing of the bus and coach sectors, the recovery of which begun in 1997 was confirmed. In contrast, rail passenger transport grew only slightly, by a much smaller amount than in the previous two years. By way of comparison, statistics published by the IATA (International Air Transport Association) show that once again there was particularly strong growth in the air transport market in 1998, building on the recovery which first became apparent in 1995. The number of passenger-kilometres reported in the international air transport sector in Europe rose by 9.6% (+10.7% in 1997), while domestic air traffic was particularly buoyant, up by 11.8% (+10.6% in 1997) on the previous year.

The data supplied by Member countries clearly show a sharp deterioration in road safety throughout in Europe in 1998. For the first time since 1991, all the indicators simultaneously showed a deterioration. Even though the increase in the number of people killed was lower than that in the number of people injured, and especially of accidents, the trend is extremely disquieting and can only increase the concern aroused by the data collected between 1994 and 1997; those data showed that the results obtained from road safety had already started to level off significantly, exposing the fragility of the progress made over the past few years. As in previous years, the situation still varies widely from one country to another, some of them having managed to reduce substantially both the number of road accidents and the number of people killed and injured, while road accidents rose steeply in several other Western European countries.

## **FREIGHT TRANSPORT**

**Rail freight transport** in Western Europe fell by about 0.5% in 1998 whereas it had picked up strongly in 1997 (+8.2%) after having been flat in 1995 and 1996. In the long term, however, aggregate output in tonne-kilometres of Western rail companies has grown only slightly, by barely +2.2% between 1970 and 1998, output in 1998 even being 2% down on the record figure in 1974. According to figures published by UIC (International Union of Railways), growth in rail freight transport in 1998 was, as in the four years previously, far higher in the international sector (+3.0%) than in the domestic sector (down by nearly 1.1%). The same statistics also reveal higher growth in tonne-kilometres than tonnage carried, confirming the trend observed in previous years towards an increase in the distances travelled. A detailed review of the situation in different countries in 1998 shows that rail freight traffic fell sharply in Norway (-15.1%), Turkey (-12.9%), Ireland (-10.7%), Portugal (-8.9%) and Greece (-7.6%) while the largest increases were in the Netherlands (+10.9%), Switzerland (+7.0%) and, to a lesser degree, Austria (+3.8%) and Denmark (+3.8%). According to ALPINFO, Trans-Alpine rail tonnage increased by 2.7% in 1998, with especially large growth on the central section between Mont Cenis and the Brenner Pass. A total of 11 million tonnes of freight and 20 million passengers were carried through the Channel Tunnel in 1998 compared with 6 million tonnes of freight and 15 million passengers in 1997. Traffic on the Eurotunnel Shuttle service saw a marked increase in 1998, the first year of the Tunnel's normal activity, the number of cars increasing by 45% and coaches by 49%, while heavy goods vehicles multiplied by 2.8.

According to the preliminary figures available, *rail container traffic* again progressed in 1998. However, the upward trend in this type of transport observed for several years slowed sharply. According to information supplied by 15 rail networks (A, B, CH, D, DK, E, F, FIN, GR, I, IRL, L, P, TR, UK), the number of containers rose by only 1.2% in 1998 (+9.2% in 1997) while tonnage in this mode grew by only 3.2%, well down on that in 1997 (+11.3%). These figures are attributable primarily

to the excellent performance of Luxembourg railways, whose container tonnage rose by 17.5% in 1998 after having already progressed remarkably in 1997, as well as that of the networks in Finland (+10.8%), Switzerland (+9.3%) and Ireland (+8.5%). In contrast, intermodal rail transport fell by 1.1% in France and 1% in Germany. The fact that the rate of growth in the number of containers carried in 1998 was, as in previous years, significantly lower than that of the overall tonnage of container traffic, reflects the major effort that has been made to streamline this type of transport by reducing the number of movements of empty containers and by improving loading ratios. At the international level, the volume of Trans-Alpine intermodal transport rose by about 3% in tonnage with a sharp increase in combined (rolling road) transport of around 12.5%, with particularly marked growth in traffic on the central Alpine section between Mont Cenis and the Brenner Pass. Still at the international level, the volume of continental traffic handled by the company Intercontainer-Interfrigo (ICF) in Europe amounted to 646 994 loaded TEUs (twenty-foot equivalent units), around 3.3% down on the previous year, and the first time it had fallen since 1993. This poor performance can be explained by the problems with the quality of service encountered by several rail networks, the emergence of new operators, the slowing of the growth of intra-European trade and steep price increases which competing modes took advantage of. The average carriage distance for this type of transport (1 304 km) remained unchanged. Whereas combined transport to or via the CIS had risen steeply in 1997 (+17%), with average carriage distances of 2 030 km it fell by 9.7% in 1998 with, however, a sharp increase in average carriage distances (2 173 km). This change in trend reflects without any doubt the decline in demand from Russia and Asia, with many countries in these regions having to cope with a serious economic and financial crisis. Combined transport shipments by ICF from and to maritime ports, which were particularly hard hit by the economic crisis in Asian countries, again fell in 1997 (-2.4%), after having already declined by nearly 10% the previous year in number of TEUs carried. At close on 602 000 TEUs, this traffic now ranks only the second largest area of ICF's activity in volume terms, with continental European traffic predominant since 1997.

UIRR (International Union of Combined Road-Rail Transport Companies) statistics show an incontestable levelling-off of international *rail-road traffic*. The number of shipments ( $\pm 2.3$  TEU) handled by this mode grew by about 1.2% in Western Europe (+7.1% in 1997) and exceeded the previously unattained level of 1.02 million units. For the first time in its existence, UIRR thus posted only a slight increase in its traffic due to big losses on routes between Belgium and Spain (-49.5%), Belgium and Italy (-8.5%) and Denmark-Italy (-8.3%); it attributes this poor performance to the problems with quality encountered by several rail companies, which caused numerous delays for trains running on the main international routes. In addition, steep price increases imposed by certain rail networks probably turned many customers away from combined transport. Actually, the modest growth of international rail-road transport in 1998 conceals contrasting trends within the year; whereas the first half had seen a marked increase in the number of shipments, the second half was characterised by decline which got worse, moreover, at the start of 1999. International shipments held up better however than domestic shipments, and now account for 73% of tonne-kilometres carried by UIRR members (compared with 60% in 1989). In 1998, two-digit growth in international traffic was reported on only a few routes to Eastern Europe. As in the past, by far the biggest traffic was between Germany and Italy through the Brenner Pass and Gothard, while the other Alpine routes between the Netherlands, Belgium, the United Kingdom and France on the one hand, and Italy on the other, also carried a large number of shipments. As for individual companies, the best international performances were by Trailstar (+13%) in the Netherlands thanks to the success of the shuttle trains between Rotterdam and Italy or Austria, Okombi (+9%) in Austria, which benefited from the development of the rolling road service on Alpine crossings though the unaccompanied service on routes to Germany had a difficult year, Hupac (+5%) in Switzerland and Kombiverkehr (+3%) in Germany, which after a promising start to the year saw its traffic gradually decline during the second half despite a strong performance on a few international routes to Eastern Europe and Spain. With its shipments up by 1%, CTL (UK) confirmed its position as the leading combined transport operator through the Channel Tunnel. In contrast, other companies reported a significant fall in business in 1998, such as

Skan Kombi (-16%), under increasing competition from direct marketing by rail operators and finally wound up in January 1999, TRW (-14%) in Belgium, which was forced to cut its services drastically due to the poor quality of rail services, Novatrans (-9%) in France, whose international services, after initially breaking even in the first quarter, declined increasingly in subsequent months due the rise in international rail tariffs, the inadequate quality of rail services and several labour disputes. CEMAT in Italy also experienced a 2% decline in shipments despite significant progress on routes to the CIS. Domestic road-rail traffic, which had revived in 1996 after falling in 1995, fell sharply again in 1998, with the number of shipments down by 1.2%. While domestic shipments handled by Okombi in Austria rose by 7% and those by Novatrans by 6% in France, where the other combined transport operator experienced a 3% fall in shipments, the two main domestic traffic flows in Western Europe declined, in Germany by -2% and, for the first time after several years of steady growth, in Italy (-7%). Domestic traffic for this mode also fell in Switzerland (-2%) and especially in Sweden, where traffic carried by Skan Kombi was sharply down for the third year running (-32%) due to competition from Swedish national railways, which have largely undermined combined transport operators by directly marketing such services. The breakdown of all the combined transport services provided by UIRR members in 1998 shows, as in previous years, that swap-bodies and containers still account for the bulk of services -- 71% -- compared with only 62% in 1990. In contrast, the share of trailers fell further, to 9% (27% in 1988) while rolling road services improved their position, now accounting for 20% of shipments carried by UIRR members.

**Freight transport by road** in terms of tonne-kilometres has grown continually every year since 1991. This trend continued and was even amplified in 1998, when services by this transport mode increased by a further 4.7% in European countries with well-established market economies. This performance, which was far better than that in 1996 (+2.2%) and 1997 (+3.2%), shows that road transport was able to capitalise on the economic situation prevailing in Western Europe and the increase in output. It thus recorded a high annual growth rate close to those observed in this sector during the periods 1986-89 and 1994-95. The positive trend observed in 1998 in Western Europe as a whole was attributable solely to growth in the hire or reward sector, which once again substantially outperformed the own-account sector, which was sharply down (-3%), for the fourth year running, reflecting the increasingly widespread practice among industrial and commercial firms of outsourcing transport services; it is estimated that own-account transport has declined by nearly 6% in Western Europe since 1995. Of the countries supplying data in this area, only Sweden (-1.5%) and the United Kingdom (-0.4%) experienced a decline in road freight transport in 1998. In contrast, road freight services grew strongly in Spain (+9.4%), Turkey (+8.8%) and Norway (+6.7%). Indicators published by the IRU (International Road Transport Union) clearly bear out the growth of the road freight transport sector in 1998, showing that tonnage carried by road haulage firms increased by 1.5%, *i.e.* at a slightly brisker pace than in the two previous years. The same picture emerges from the statistics published by the European Automobile Manufacturers Association, with a rise of nearly 11.5% in 1998 in the number of new registrations of lorries over 3.5 tonnes compared with only 2.2% in 1997. There thus seems to have been a strong recovery in the HGV market in 1998 after a relatively flat phase from mid-1996, the gloomy economic situation having prompted hauliers to think carefully about purchasing new vehicles.

Following the dismantling of customs controls within the European Union, there are no detailed sources of statistical information on the situation in the *international road haulage sector*. The few figures available from national sources (+1.2% in France compared with +4.5% the previous year, +6.5% in Germany against +22% in 1997 together with slower growth of international road traffic in transit: +9.4% instead of +16%) would seem however to indicate that the growth of the international road haulage sector, unlike that of domestic transport, which accelerated, slowed sharply in 1998 though still remaining positive. No doubt this was the consequence of the general situation of the Western Europe economies, which saw a slowdown in the rate of growth of international trade. The statistics on foreign trade tonnage for the European Union confirm this trend. According to the

COMEXT data base, international road haulage activities increased by only 0.3% in terms of trade between EU Member States (+2.4% in 1997) but fell by nearly 2.8% in terms of trade with non-EU Member States whereas the previous year they had recorded spectacular growth (+17.9%) in that market; the main reason for this poor performance was a sharp decline in road haulage activities with non-European countries, while those with non-EU European countries, on the contrary, rose by 3.8%. Data published in ALPINFO on freight movements through the Alps show, in contrast, a large increase, of over 7.8%, in total tonnage carried by road in 1998 (+11.3% for transit traffic alone) in the area between Mont Cenis and the Brenner Pass; such growth had not been seen since 1988. This mode of transport has thus resumed growth (+3.1% in 1997) after a pause in 1996, when for the first time since 1980 tonnage carried by road through the Alps had fallen (-2.3%). As a result, the volume of freight carried by road through the Alps rose in 1998 to the record level of about 57.9 million tonnes. Overall, road now accounts for 61 % of freight carried in the central alpine area (44% in 1980). Another revealing indication of the growth of international road haulage services is the number of TIR logbooks issued, the increase in which had been slowing for three years running; in 1998 it fell by 2.4%. The main reason for this was the further decline (-12.9%) in the number of logbooks for Western European countries, EU Member States now requiring fewer logbooks due to the relaxation of rules on freedom of movement and transit within the EU area.

Confirming the strong performance of the sector in 1997, **inland waterway freight transport** again posted positive results in 1998, with an increase in activities of 4.9% to a record level of over 124 billion tonne-kilometres, more than 17% up on 1970. The recovery of this mode that began in 1994 after years of stagnation was thus confirmed. While the overall trend was thus satisfactory in Western Europe, the situation nonetheless differed across countries. The volume of activity in tonne-kilometres increased in Austria (+9.2%), France (+8.6%) and the Netherlands (+7.5%), whereas in contrast it declined in Italy (-3.5%), a country in which inland waterways play only a minor role, and in Finland (-3.0%), where timber floating accounts for the bulk of traffic.

Taken as a whole, 1998 may be seen as a fairly satisfactory year with regard to navigation on the *Rhine*, even though the rates of growth in traffic, slightly below those in 1997, were attributable mainly to strong activity during the first half of the year. For all categories of freight, the volumes carried and services supplied increased both on the traditional (between Basle and the Dutch border) and the Dutch sections of the river, boat operators enjoying relatively good water levels throughout the year which made high loading ratios possible most of the time. Statistics compiled by the CCNR (Central Commission for the Navigation of the Rhine) and relating to all traffic on the Rhine show an increase of around 2.9% in the tonnage carried as a result of a significant increase (+6.0%) on the Dutch section of the river particularly in international shipments between the Netherlands and Belgium. In consequence, and in line with the upward trend since 1996, total Rhine traffic for the first time exceeded 300 million tonnes. Traditional traffic rose by 1.3% in terms of tonnage in 1998, enabling it to exceed at last its 1994 level but failing to match the record levels reported in 1989 and 1990 and even less so the levels in 1974, 1977 and 1978. Traffic in tonne-kilometres on the same section between Rheinfelden and Emmerich increased by 2.6%, confirming the trend in the most recent years, namely a more favourable trend in tonne-kilometres than in tonnage and indicating an increase in the average length of distances covered. These data also reflect a decline in traditional traffic compared with overall traffic on the Rhine, a trend observed for several years: in volume terms, traditional traffic now accounts for barely 66% of all traffic on the river (compared with 70% in 1990). The growth in traditional traffic observed in 1998 was due solely to the increase in movements upstream (+3.7%), whereas movements downstream, continuing a trend which started in 1994, experienced a further decline (-2.7%) and now account for no more than 35% of all traditional traffic. This development was certainly one of the consequences of the Asian crisis, which prompted European States to increase their imports and to reduce exports to and from Asian countries. One of the direct effects of the crisis was visible in the transport of ore, which is a big market for inland waterways. The influence of the increased competitiveness of Japanese and Korean steel products, in

the chemicals and even consumer goods sectors, was also strongly felt. Data published by the CCNR also show that traffic at the border between Germany and the Netherlands amounted to over 151 million tonnes, a historic high. The picture regarding dry cargo and tank barge traffic was mixed. Whereas the dry-cargo sector grew by about 4% overall in volume terms and by 6.5% in tonne-kilometres, tank barge traffic fell by 4.4% in tonnage terms and by 5.4% in tonne-kilometres on the Rhine between Rheinfelden and the German/Dutch border at Emmerich-Lobith. In terms of traditional traffic and on the basis of loaded tonnage, mention should be made of the steep increase in the transport of solid mineral fuels (+19.3%), attributable to the progressive closure of coal mines in Germany and the replacement of German coal by imported coal, mainly coke, mostly for power stations. Transport of other goods also rose substantially: machinery and manufactured goods (+8.2%) and foodstuffs and animal feed (+7.0%), while the transport of construction materials, which account for the bulk of downstream flows, started to grow again (+2.9%) despite the continuing unfavourable situation in the German construction and public works market. In contrast, the transport of petroleum products fell by over 5.7%, with however, an increase in the distances covered due to the growth of transport of petroleum products from the refineries in the Rhine delta and the Meuse to destinations in the middle Rhine area. The main reason for this decline was the steep fall in tonnage of heavy oil and bitumen carried to the Karlsruhe refineries for processing, and also in the transport of gas. Furthermore, the imbalance between the volume of petroleum products moved up the Rhine and that carried downstream widened due a change in the range of products processed by refineries in the hinterland. During the second half of the year, the metallurgical industry had to cope with a steep fall in demand stemming from the economic crisis in south-east Asia; the impact on Rhine traffic was immediate: the monthly tonnage of ore carried fell sharply from August, though the annual fall was only 5.6% due to the strong performance at the beginning of the year. Shipments of scrap to maritime ports continued to decline due to the progressive expansion of electric furnace production in the hinterland. While the overall volume of steel products transported rose by nearly 1% in 1998, the pattern of trade flows changed however, the steep increase in steel products carried from maritime ports barely offsetting the fall in the downstream movement of such products. Like the metallurgical industry, the chemical industry was also hit by the economic crisis in Asia; once again trade was reversed, with exports slowing and imports from Asia and North America rising as a result of the strong pressure on prices. In terms of market share, the energy sector (oil and coal) accounted for 29% of total traditional traffic on the Rhine in 1998, slightly ahead of the metallurgical sector (25%) and the construction and public works sector (22%). In the container transport sector, the growth in the number of TEUs shipped on the Rhine, which in percentage terms had been close to double digits for several years, continued in 1998 albeit at a slightly slower pace, confirming the dip in the previous year. According to estimates, the number of TEUs shipped across the border between Germany and the Netherlands rose by around 8%, taking the increase in such traffic since 1994 to almost 40%. This result is all the more significant in that it was accompanied by a further improvement in quality in the form of a slight increase in the average proportion (69%) of container volume filled. Due to the Asian crisis, the volume of containers moved upstream rose significantly (+13%), with a very slight increase in the number of empty containers as a result of the streamlining of operations by maritime companies; the increase in downstream traffic was smaller but in the same proportion for both loaded and unloaded containers. No review of navigation on the Rhine would be complete without a brief economic analysis. Firstly, it should be noted that the Dutch fleet continues to dominate despite some levelling-off in this respect; in 1998, it carried more than 70% of downstream traffic on the Rhine and more than 60% of upstream traffic. With regard to pricing, the fleet being now better in tune with demand following its structural adjustment, the freight tariffs for dry cargo traffic remained at an acceptable level in 1998. In contrast, the price situation of tank barge traffic was less favourable.

*The Moselle* was no exception to the growth of inland waterway traffic in Western Europe in 1998. Over 8.8 million tonnes of freight passed through the Apach border lock, an increase of just over 3% on the previous year. The volume of freight carried breaks down as follows: 4.6 million tonnes (+3.5%) upstream and 4.2 million tonnes (+2.5%) downstream. As regards upstream traffic,



nearly 93% of which is generated by the steel industry, shipments of ore and scrap to steel mills in Lorraine fell sharply (-22%) due to Asian competition. In contrast, coal shipments increased sharply (+26%) as a result of very large demand from French thermal power stations. As regards downstream traffic, the agri-food sector, which accounts for over 67% of tonnage transported, grew by 4% as a result of increased transport of agricultural products, while the transport of iron and steel grew by 0.9% as a result of increased shipments of finished and semi-finished products. In contrast, shipments of construction materials and especially coal declined as mines in Lorraine were gradually closed. Still on the Moselle, traffic at the Koblenz lock where the Moselle joins the Rhine rose by 3.6% to 15.5 million tonnes with a marked difference between the volume of upstream movements (+7.0%), which benefited from a significant increase in shipments of coal and hydrocarbons, and movements downstream (-1.8%) which were penalised by a marked reduction in the transport of sand and gravel as well as of oil seeds despite a significant increase in shipments of cereals.

To complete this overview of inland waterway traffic, it should be mentioned that operating conditions on the *Rhine-Main-Danube* canal returned to normal in 1998 due to the absence of ice, which had caused the canal to be closed to traffic for six weeks in both 1997 and 1996. As a result, the tonnage recorded at the Kelheim lock, which is a more precise indicator of traffic on the dividing reach between the Rhine and Danube river basins, was an all-time high of 4.6 million tonnes, +33% up on 1997 and +13% up on 1995, the previous record year. Traffic between the Rhine and Danube basins proper (excluding internal traffic on the Main and the canal) totalled 2.4 million tonnes from the Rhine to the Danube and 1.8 million tonnes in the opposite direction. As in previous years, movements in 1998 consisted primarily of agri-bulk products (1.8 million tonnes), which represented almost 40% of activity, most of it in the West-East direction. Iron and steel products (1.5 million tonnes) were the other main cargo, primarily to steel plants in Linz in Austria, which buy their raw materials on the Rotterdam market. While shipments of agri-bulk products, metallurgical products, construction materials, machinery and manufactured goods all increased, sometimes markedly, there was hardly any change in those of hydrocarbons and ore and scrap for the steel industry compared with 1997, while coal shipments lost a lot of ground.

The number of tonne-kilometres carried by **oil pipeline** in 1998 rose by 22.9% in Western European countries (+18.1% in 1997). This exceptional performance for the second consecutive year was primarily attributable to a spectacular increase in oil shipments through Turkey (+88.8%) due to increased traffic with Iraq, which had received permission from the UN to resume limited exports of crude oil as part of the "oil for food" barter agreement. This strengthened the recovery in oil shipments by pipeline first observed in 1992, following the sudden collapse in 1990 and 1991 as a result of the Gulf War and the ban on oil exports from Iraq. Despite the partial lifting of the ban, the embargo on exports of Iraqi oil nonetheless continued to make itself felt in 1998 in that the volume of oil shipped by pipeline in tonne-kilometres in European countries with well-established market economies was down again, by nearly 12%, on the record level of 1989. Compared with that year, oil shipments through Turkey in 1998 amounted to less than half of the volume shipped at a time when such traffic alone accounted for 54% of oil shipments by pipeline in countries which were then Members of the ECMT. In addition to Turkey, other countries have also reported significant increases in pipeline shipments of oil products in 1998, particularly Italy (+38.1%), Germany (+12.9%) and Spain (+5.2%). The only countries where the volume of pipeline shipments declined were France (-2.3%) and especially, for the third year running, Norway (-10.7%), one of the main producers in Western Europe, where falling oil prices made offshore production in the North Sea less profitable. Pipeline traffic in Western Europe as a whole, with the exception of Turkey, grew by 7.5% after having been flat for many years; such a high annual growth rate had not been recorded in this geographical area since 1991.

For many years, the modal split in the freight transport market has been changing radically. This trend was reinforced in 1998. The following table compiled from data supplied by 15 ECMT Member

countries<sup>2</sup> illustrates this trend, with an increase in the share accounted for by road and a decrease in the share of rail and inland waterways.

**TRENDS IN THE MARKET SHARE  
OF DIFFERENT MODES (AS A PERCENTAGE)  
IN WESTERN EUROPEAN COUNTRIES**  
Freight transport in t-km

	1970	1975	1980	1985	1990	1995	1997	1998
Rail	31.1	25.0	23.0	21.1	17.1	14.7	15.0	14.3
Road	55.6	63.4	66.3	69.5	74.5	77.9	77.9	78.5
Inland waterways	13.3	11.6	10.7	9.4	8.4	7.4	7.1	7.2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

In the 10 countries<sup>3</sup> which have sufficiently lengthy data series available, **short-sea shipping** (domestic maritime shipping) grew by around 2.6% in 1998. After the one-off decrease of -1.7% in 1997, this increase continues the recovery in this sector since 1994 after a decline of over 10.4% between 1988 and 1993. Use of this mode in 1998, however, varied from one country to another and in some cases quite widely. The most striking increases were to be found in the United Kingdom (+19.5%) and Portugal (+18.6%), whereas Denmark (-33.3%) and Spain (-11.6%) had to contend with a sharp reduction in domestic shipping activities. Despite the recovery observed since 1994, it is obvious that in comparison with 1980 the volume of traffic in tonne-kilometres carried by this mode of transport has risen only slightly (+9.0%) whereas in the 1970s it increased by almost 65%. As a result, the market share of short-sea shipping, compared with that of road and rail, has clearly fallen, in percentage terms, over the years, as may be seen from the table below.

**TRENDS IN THE MARKET SHARE (IN PERCENTAGE TERMS)  
OF INLAND AND MARITIME MODES OF TRANSPORT**  
Freight transport in t-km

	1980	1985	1990	1995	1997	1998
Rail	19.1	17.0	14.2	12.5	12.8	12.3
Road	60.9	64.0	69.4	73.0	72.9	73.5
Short-sea shipping	20.0	19.0	16.4	14.5	14.3	14.2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Since 1990, despite the relatively poor economic climate at the beginning of the decade, **maritime container traffic** has steadily and constantly increased in West European ports. There was no change in this trend in 1998, though the growth rate for this type of transport dipped sharply due to the slowing of world trade as a result of falling demand from the Asian countries and Russia, faced with a serious economic crisis, and from the OPEC countries, whose revenues had been hit badly by low oil prices. The gross tonnage of container freight loaded and unloaded in the maritime ports of the

2. B, CH, D, DK, E, F, FIN, GR, I, L, N, NL, S, TR, UK.

3. B, DK, E, F, FIN, I, N, P, S, UK.

traditional European market economies grew by 5.4% in 1998, the lowest increase since 1990, and the number of units handled rose by 8.7%. The difference between the two figures no doubt reflects a rise in the number of empty container movements due to the imbalance in trade between Europe and Asia depending on the direction of the flows. That said, over the long period the same figures were up on the 1990 levels by 90% and 87% respectively, the difference between the two percentages reflecting improved utilisation of intermodal transport units transhipped in port installations and fewer empty container movements. The globally positive result for container tonnage transiting through West European ports in 1998 was mainly attributable to increased tonnage in Spanish (+17.8%), French (+13.9%), Belgian (+8.4%) and Portuguese (+7.5%) ports. Of the countries with a seaboard that supplied data on this sector<sup>4</sup>, only Greece (-13.8%) and Finland (-6.8%) reported a decrease in tonnage handled. The figures for the number of containers loaded and unloaded confirm that 1998 saw marked slowing of the growth of maritime container traffic, though the situation was very different depending on the country: +15.7% in Spain, +13.0% in Italy but -17.3% in Greece and -5.5% in Finland.

## PASSENGER TRANSPORT

The number of passenger-kilometres on Western European railways rose by 0.8% in 1998. This performance was well down on that of the previous year (+1.8%) and confirms some slowing of **rail passenger transport** growth since 1997 after a sharp increase in 1996 (+2.7%) due, admittedly, to the catching-up after the long strike that had paralysed French railways the previous year. Nonetheless, in 1998 the railways carried, for the first time, nearly 304 billion passenger-kilometres, this record figure reflecting a general medium-term trend towards a fairly steady increase in this type of transport of around 1.3% per year since 1994. Not all the rail companies fared equally well in 1998, however: while rail passenger transport increased significantly in Denmark (+7.6%), Ireland (+6.7%), Spain (+5.5%) and Turkey (+5.5%), it fell sharply in Greece (-14.4%) and less markedly in Italy (-4.5%), Germany (-2.2%) and Austria (-2.1%), three countries in which a fall was observed for the second year running.

Statistics relating to international rail passenger transport are incomplete. The only information available is provided by the UIC and for 1998 concerns only seven networks (A, B, CH, F, I, N, P). These networks were faced with a slight decrease (-0.4%) in their international passenger transport, while their domestic transport rose. The decline was however much less marked than in 1997 (-2.6%), and due essentially to the poor performance of the Austrian (-15.0%) and Italian (-14.9%) railways; in contrast, the Belgian (+10.5%) and French (+9.4%) networks experienced a sharp increase in traffic due primarily to the success of the Eurostar and especially Thalys, which benefited from the completion of the high-speed line between Paris and Brussels in December 1997. Even if these data should be interpreted with caution, they nevertheless seem to confirm the trend observed for over 15 years towards differentiated trends in domestic and international passenger transport, with results for rail being better for the former than for the latter. In the case of freight traffic, the opposite is true, international rail transport registering higher performances than domestic transport.

**Road passenger transport** (both public and private transport) in 1998 was more than 2.9% up on the historic high reached the year before. The rate of growth reported was therefore slightly higher than that in 1997 (+2.7%), primarily attributable to the trend in *transport by private car*. Benefiting from the fairly high confidence of households resulting from the increase in their incomes and the improved outlook on the job market, transport by private car was also stimulated by the low price of petrol and recorded its highest growth rate (+2.9%) since 1992. Although positive, this result was part

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4. B, D, E, F, FIN, GR, I, NL, P, S, TR, UK.

of a broader trend observed since 1993, namely steady but fairly moderate annual growth, of about +1.8%, of transport by private car, after a period of robust growth in car traffic, which had risen at an annual rate of +4.7% over the period 1986 to 1992. Despite this slowdown, private car traffic now accounts for more than 84.5% of passenger-kilometres travelled by inland modes in Western Europe, rail and bus/coach accounting respectively for 6.7% and 8.8%. Of the countries which supplied statistics on such traffic, the Netherlands (-0.5%) was the only country in which car use fell in 1998. The highest increases in such traffic were reported in Spain (+7.3%), Portugal (+6.8%), Greece (+6.6%) and, to a lesser extent, in Finland (+3.5%) and France (+3.1%). *Bus and coach transport* on the other hand increased by 2.0% in 1998, confirming the pick-up in activity in 1997 (+2.4%), after having remained almost flat in 1995 (+0.9%) and 1996 (0%). While the number of passenger-kilometres carried by public road transport rose sharply in 1998 in Spain (+7.0%) and Norway (+6.7%) and to a lesser extent in Italy (+3.2%), France (+1.2%) and Greece (+1.1%), it declined in Portugal (-0.4%), Denmark (-0.7%), the United Kingdom (-2.3%) and especially in Belgium (-4.8%). A comparison of the long-term trends in this sector reveals diverging rates of growth in the private and public road transport sectors, primarily attributable to the modest rates of growth achieved in the public transport sector since the early 1980s. Between 1980 and 1998, transport by private car increased by 66.3%, while transport by bus and coach increased by only 20.0%.

## ROAD ACCIDENTS

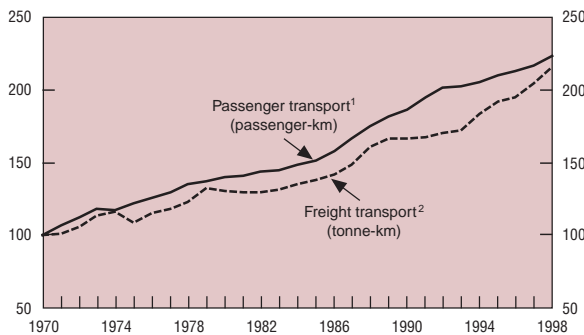
Since 1985, when the trend curve for the number of **road accidents** bottomed out (-15.5% compared with 1970), the trend has now unfortunately been reversed and this indicator rose by 30.1% between 1985 and 1998. Even more disquieting, this trend seems to have accelerated during the past two years since after rising by 5.2% in 1997, the number of accidents was up by almost 5.9% in 1998. There has not been an annual increase in road accidents as high as this since 1970. This worrying increase was primarily attributable in 1998 to the increased number of road accidents in Turkey (+19.9%), whose accident statistics have been consistently high for several years, and Spain (+13.4%), and to a lesser degree, Italy (+7.7%). Among the countries where the most significant improvements were made, on the other hand, pride of place must be given to Denmark (-7.5%), Iceland (-4.0%) and Ireland (-3.0%).

The year 1998 also saw a 3.1% increase in the total number of **casualties**, which amounted to more than 1 925 000 people killed or injured on the roads in Western Europe. This poor result, the worst since 1988 -- following on from those in 1994 (+1.4%), 1995 (+1.7%) and 1997 (+1.1%), despite a marked improvement in 1996 (-2.0%) -- takes the total number of people killed or injured on the road to a level not attained since 1980. The figures varied widely from one country to another, however. While the number of casualties (killed or injured) increased in 1998 by 25.0% in Turkey, 18.9% in Luxembourg, 12.6% in Spain and 8.1% in Italy, it fell sharply in Denmark (-7.1%), Iceland (-6.6%) and Finland (-3.2%).

The number of **fatalities** was up for the first time since 1991, already an exceptional year on account of German reunification, which had caused the number fatalities to soar in that country. Compared with 1997, there were 0.4% more people killed on the roads in 1998 in Western Europe. Nearly 48 000 people died from injuries sustained in road accidents in the ECMT Member countries with well-established market economies. However, despite the worsening of the situation, this figure, with the exception of 1996 and 1997, was the lowest recorded over the period 1970-98, and the annual number of fatalities on road networks in Western Europe is still down by around 13.3% compared to 1991. The increase in road deaths reported in 1998 was essentially due to increases in this indicator in Norway (+16.2%), Turkey (+15.8%) and Belgium (+10.0%). The most satisfactory results were achieved in Austria (-12.9%), Germany (-8.9%), Finland (-8.7%) and the Netherlands (-8.3%).

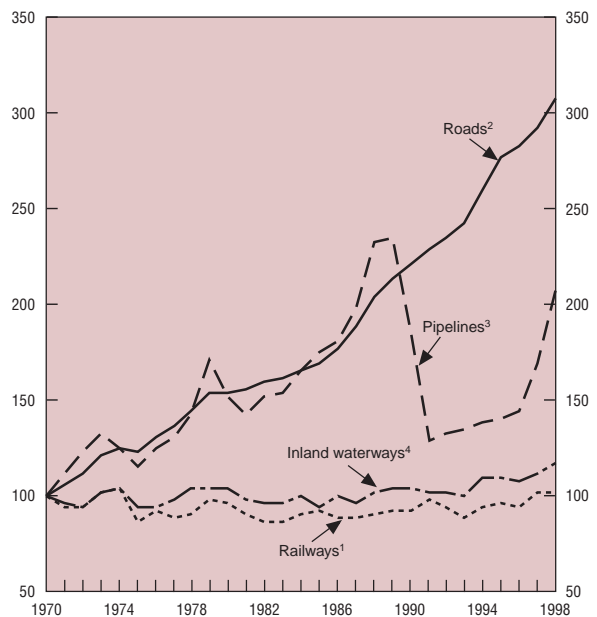
The overall picture to emerge from this review of road accidents in 1998 in Western Europe is unquestionably negative, all the indicators showing a deterioration in road safety. Over a longer time period, however, it is clear that although traffic levels have risen sharply (+110% between 1972 and 1998 for passenger-kilometres by private car), the annual number of people killed on the roads has fallen by nearly 41% compared to 1972 as a result of the measures taken by the authorities since the mid-1970s. The success of these measures, which have saved over 33 000 lives every year compared with the historic high of 1972, is by no means assured, however, as may be seen in the worrying trend increase since 1985 in the number of people injured and above all the number of accidents, despite slower growth in private car use from 1993 onwards. The reversal in the trend of the number of fatalities observed in 1998, which was up again after having fallen steadily for six years, can only increase concerns in this regard. Overall, the heavy toll exacted on the roads of Western Europe would still appear to be far too high, both in human terms and in terms of the cost to the economy and society; according to some experts, the external cost of road accidents alone may well amount to as much as 2.5% of GDP. In addition, there are still some worrying trends to be seen in several countries, particularly those where car ownership levels are rising fast. It is therefore more important than ever to remain vigilant in applying measures already implemented and in promoting new effective actions to improve road safety in Western Europe.

**PASSENGER AND FREIGHT TRANSPORT TRENDS**  
1970 = 100



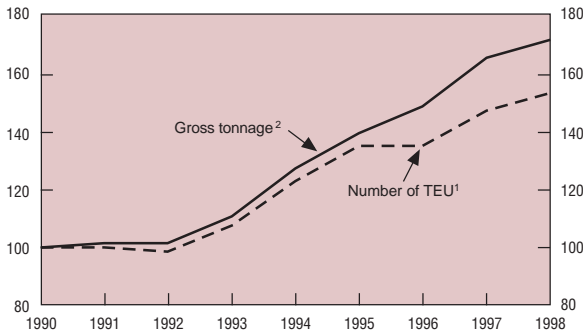
1. 16 countries: A, B, CH, D, DK, E, F, FIN, GR, I, N, NL, P, S, TR, UK.
2. 16 countries: A, B, CH, D, DK, E, F, FIN, GR, I, L, N, NL, S, TR, UK.

**FREIGHT TRANSPORT TRENDS**  
(tonne-kilometres)  
1970 = 100



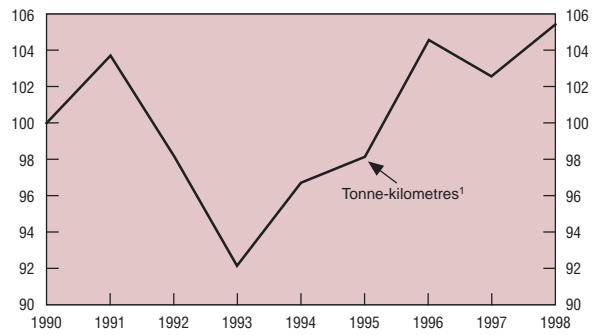
1. 18 countries: A, B, CH, D, DK, E, F, FIN, GR, I, IRL, L, N, NL, P, S, TR, UK.
2. 16 countries: A, B, CH, D, DK, E, F, FIN, GR, I, L, N, NL, S, TR, UK.
3. 12 countries: A, B, CH, D, DK, E, F, I, N, NL, TR, UK.
4. 10 countries: A, B, CH, D, F, FIN, I, L, NL, UK.

**RAIL CONTAINER TRANSPORT**  
1990 = 100



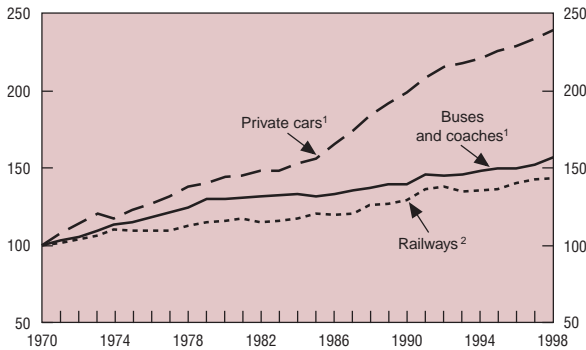
1. 12 countries: A, B, CH, DK, F, FIN, GR, I, IRL, L, P, TR.  
2. 13 countries: A, B, CH, DK, E, F, FIN, GR, I, IRL, L, P, TR.

**SHORT-SEA SHIPPING**  
1990 = 100



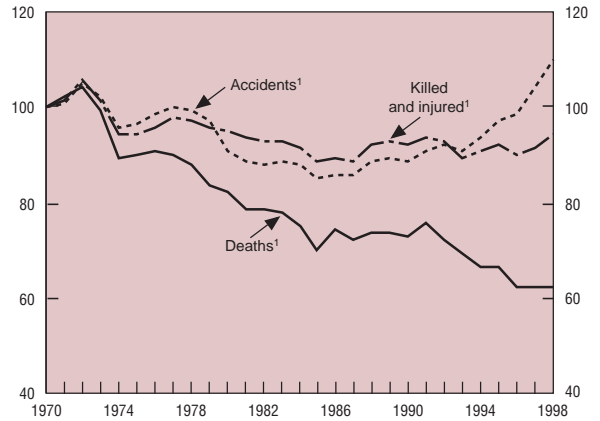
1. 10 countries: B, DK, E, F, FIN, I, N, P, S, UK.

**PASSENGER TRANSPORT TRENDS**  
(passenger-kilometres)  
1970 = 100



1. 15 countries: A, B, CH, D, DK, E, F, FIN, GR, I, N, NL, P, S, UK.  
2. 18 countries: A, B, CH, D, DK, E, F, FIN, GR, I, IRL, L, N, NL, P, S, TR, UK.

**ROAD SAFETY TRENDS**  
(number)  
1970 = 100



1. 19 countries: A, B, CH, D, DK, E, F, FIN, GR, I, IRL, IS, L, N, NL, P, S, TR, UK.

## **TRENDS IN THE TRANSPORT SECTOR IN ECMT MEMBER COUNTRIES IN TRANSITION**

The following report covers trends in ECMT Member countries in Central and Eastern Europe, which are now at varying stages of the process of transition from a planned to a market economy that began in the early 1990s. Twenty of these countries have been able to provide statistical data on the performance of their transport sectors including, for the first time, Georgia (GE). The information provided by that country has thus been incorporated with the data already supplied in previous years by 11 Central and East European countries (AL, BG, BIH, CZ, H, HR, MK, PL, RO, SK, SLO), 3 Baltic States (EST, LT, LV) and 5 countries belonging to the Commonwealth of Independent States (AZ, BY, MD, RUS, UA). Since the Czech and Slovak Republics officially came into existence on 1 January 1993, the data relating to the former Czechoslovakia (CS) have been used for the preceding years in order to avoid too large a break in the data series.

Transport systems in the countries in transition differ significantly in both structure and scale. For instance, some carry exceptionally high volumes, if only because of the surface area they cover and the size of the population they serve. In addition, progress with the economic reform process varies widely from one country to another and not all countries are introducing market mechanisms at the same pace, this being the case in the transport sector. Lastly, the statistical data available as time series by no means cover the same periods in all of the countries. Some countries only have data for the last few years. In order to be able to compile aggregate statistical indicators that are sufficiently uniform and relevant to provide a realistic picture of trends in the transport sector in selected areas of Europe, the remainder of this report gives separate figures for the countries of Central and Eastern Europe together with the Baltic States (collectively referred to as the CEECs), and the countries of the Commonwealth of Independent States *i.e.* Azerbaijan, Belarus, Georgia, Moldova, the Russian Federation and Ukraine, referred to collectively as the “CIS” countries, for which the available statistical data make it difficult to go back any further than 1990.

### **GENERAL SITUATION**

The slowdown of activity and the financial instability which affected many countries worldwide in 1998 had important consequences for the countries in transition. The broad economic trends in these countries were suddenly reversed in mid-1998 by the sharp collapse in external demand, the negative effects of which were felt throughout the second half of the year. Many factors were combined -- the collapse of Russian imports, a decline in global demand for primary and intermediate products, the slowdown of imports by Western Europe in the latter half of the year -- and the effect on the performance of the transition economies was marked and unexpected. The main direct effect of the Asian crisis was on commodity producers in the CIS and in particular the Russian Federation, where the fall in oil prices had considerable repercussions on export earnings and contributed in large part to the August crisis. The ensuing collapse of Russian imports in turn affected many East European exporters and especially the Baltic States, a fairly significant share of whose trade is still with Russia. Furthermore, gradually worsening economic conditions and the emergence of a cyclical “air pocket” in many West European countries prompted the latter to curb their imports during the year, as a result of which the economic situation in the countries in transition deteriorated from the Russian crisis in August, a process that speeded up in the last months of 1998 while at the same time the financing constraints on those countries tightened. This break in trend confirms that the Central and East European economies, being highly dependent on exports, are particularly vulnerable to severe external

shocks. Virtually all the transition economies, including those that have made the most headway with reform, were affected in varying degrees by the collapse in external demand, with private consumption, one of the mainstays of growth for some time, also slowing gradually during the year.

In 1998, the rate of **economic growth** in Central and Eastern Europe as measured by GDP (+2%) was only half that forecast and well below that in 1997 (+2.8%). Whereas the relatively modestly rate recorded in 1997 was mainly due to the poor performance of three economies in crisis (Albania, Bulgaria and Romania), that in 1998 reflected a general slowdown in economic activity in most East European countries. In virtually all of these countries with the exception of Hungary and, to a lesser degree, Slovenia, the outturn fell well short of the experts' expectations, with a spectacular deterioration in the growth of output during the second half of the year whereas during the first half GDP had been growing at almost the same rate as in 1997. Despite the general slowdown, as in 1997 economic performance in 1998 varied widely across countries and sub-regions, with a persistence of the disparities in development and economic reforms observed since the start of the transition process between Southeast Europe, on the one hand, and Central Europe on the other; production grew by 3.6% on average in Central Europe and fell by about 2% in Southeast Europe. While the fall in external demand had major negative repercussions on economic activity throughout the countries in transition, the Central European countries managed to a large extent to shield their economies from the contagion of the financial crisis, benefiting in particular from the major shift that had taken place in their export markets since 1990. In contrast, in many other countries in transition, especially those in Southeast Europe, the external demand shock was amplified by worsening domestic problems.

Thanks to relatively successful macroeconomic stabilisation, progress on structural reform and substantial growth in exports to Western Europe, the *Central European* countries with the notable exception of the Czech Republic experienced rapid economic growth during the 18-month period up to mid-1998. As external conditions deteriorated, this trend came to a halt in the middle of 1998 and, in consequence, the profile of growth in the second half of the year was markedly different from that in the first half. Admittedly, some slowdown was expected in several economies that were growing the most rapidly on account of the measures that were taken to rein in over-rapid growth of private consumption and the widening deficit on the current balance, but the deceleration was stronger than foreseen. Even though the overall annual performance for the Central European area as a whole may seem quite satisfactory, economic growth lost a lot of its momentum during the year, though the situation was also extremely different from one country to another. Compared with other Central European economies, Hungary weathered the turbulence in 1998 fairly comfortably, and the worsening external climate caused it relatively less damage. It managed to sustain fairly steady growth throughout the year (+5%), slightly more than that the previous year (+4.6%), due to sound economic fundamentals, a revival of domestic demand and the recovery of the manufacturing sector, which is closely integrated into the distribution networks of multinationals and geared primarily to making products that entail a high degree of processing. Of all the Central European countries, Poland experienced the largest decline in exports due to the fall in global demand for raw materials and intermediate goods. Its industrial output was hit particularly hard and in the last quarter of the year even fell for the first time since 1992. As a result, even though Poland's GDP again increased in 1998 overall, by 4.8% (+6.9% in 1997), it decelerated rapidly in the second half of the year. Thanks to its macroeconomic stability, in 1998 Slovenia was able to maintain, with growth of around 4%, the moderate but steady growth in GDP that it has recorded since 1995. This performance was all the more remarkable in that it was achieved despite a certain slowdown of industrial output and tourism. In contrast, the recession in the Czech Republic, which had originally been triggered by a foreign exchange crisis in 1997, worsened, with GDP down by about 2.7%, and it accelerated during the year. Besides external factors, other elements explain this fall: a decline in productivity as a result of the rise in unit labour costs, the strengthening of the Czech koruna as a result of the tightening of monetary policy, which penalised exports, the sharp hike in interest rates which contributed to the decline in all the components of domestic demand. While the GDP of the Slovak Republic grew by nearly 4.4%



overall in 1998, from September its economy underwent an abrupt adjustment, with a drastic cut-back in public investment which caused output to slow considerably in the fourth quarter. The profile of GDP growth in Croatia (+3%) mirrored that in the Slovak Republic, with a marked deterioration in the last quarter as a result of a decline in domestic demand stemming from a restrictive fiscal and monetary policy introduced in response to the current account deficit.

In 1998 most of the economies in *Southeast Europe* again encountered difficulties in the process of economic transformation; as a result, the gap between the countries in this region and the most advanced Central European countries continued to widen. The deep recession in which Romania has been mired since 1997 continued; its GDP fell by 7.3% in 1998 after having already fallen by 6.9% the previous year. While the severe tightening of monetary policy led to a steep rise in interest rates and to a credit cut, wages and incomes were eroded by the devaluation of the currency and high inflation, and Romanian exports, which consist primarily of intermediate goods, were hit badly by the slump in international markets in 1998. As a result, industrial output plunged (-17%). Despite obvious progress on macroeconomic stabilisation and a spectacular decrease in inflation, the Bulgarian economy again found itself in difficulty in 1998. The country's exports, consisting essentially of product that have undergone little processing, lost market share and considerable earnings, causing a further decline in industrial output (-9.4%) which increased during the second half of the year. While structural reforms have unquestionably progressed through privatisations and restructuring of the banking system, a sweeping overhaul of the corporate sector and related institutions (for example, by improving bankruptcy and liquidation procedures) is still needed. After a period of stagnation or virtual stagnation, the economy of FYR Macedonia apparently showed signs of recovery in 1998 (+2.9%) but it is still very weak; growth started to flag in the third quarter and even fell in the fourth. After the major economic and political crisis in 1997, the Albanian economy seems to have picked up in 1998. Some very preliminary statistics indicate GDP growth of around 8% but the economic situation remains very fragile and, like that of Bosnia-Herzegovina, contingent on foreign aid.

Despite spectacular growth for several years in their exports to Western Europe, the three *Baltic States* are much more exposed than the Central European countries to fluctuations in the Russian economy. As their banking system was fairly committed in the Russian financial market, it had to tighten credit in 1998, resulting in a significant rise in interest rates. As a result, the rate of growth of the Baltic States' GDP, even though it is still above that of the Central and East European countries, fell to 4 ¼% in 1998, *i.e.* more than three points down on the previous year (+7.6%). The repercussions of the Russian crisis were felt particularly in Estonia and Latvia. The speed and scale of the fall in industrial output during the year can be explained primarily by the poor performance of the food and chemical industries as well as of the machinery and capital goods sector. The Russian crisis also had a major impact on services and transport because a large volume of traffic to and from Russia transits through the Baltic States. In contrast, Russia's difficulties had much less impact on the Lithuanian economy, which benefited from an increase in the output of the mining sector and the growth of refining in the oil sector.

The year 1998 also saw a considerable worsening in the economic situation of the *CIS countries*, whose GDP fell by 2 ¾% overall, cancelling out the modest gains (+1.1%) made in 1997. While Russia's difficulties affected all the transition economies, the repercussions were particularly marked on the neighbouring CIS countries, in particular those in Europe. For Russia is still a major trading partner of these countries; in addition to coping with the negative effects of the Russian crisis on trade and production, they also had to deal with the devaluation of the rouble, which triggered a series of monetary crises and foreign exchange problems. The trend of the Russian Federation's output in 1998 mirrored the mounting financial turbulence in the country. The slowdown in industrial output, which had already begun in the first months of 1998, gradually gathered pace, with the main shock occurring in the third quarter, when output fell by 11.9% on an annualised basis. One of the main transmission mechanisms of this shock was the paralysis of the country's payments system that followed the

moratorium decreed in August, while domestic demand also began to decline significantly, with real incomes falling as inflation re-ignited. According to the available data, Russian GDP fell by 4.6% in 1998 and industrial production by 5.2%, with a very marked fall in the output of the iron and steel industries, the engineering and chemical sectors, and light industry. GDP also fell sharply in 1998 in Ukraine (-1.7%) and especially in Moldova (-8.6%); besides the Russian crisis, the latter country had to cope with chronic domestic problems such as budget and balance-of-payments deficits, which led to a collapse of industrial output; in addition, agriculture performed poorly. While the Belarus economy (+8.3%) seems to have revived somewhat since 1997, with the recovery continuing to at least mid-1998, in the view of many experts it is based on unsound fundamentals and practices going back to the era of central planning (price controls, state orders) which are likely to make a major macroeconomic adjustment necessary. In contrast, the economic collapse in Russia had less direct effects on the economies in the Caucasus, and in particular on Azerbaijan, whose GDP increased appreciably in 1998 (+10.0 %). The country had not experienced such growth since its independence; this performance was primarily attributable to major investment projects, to a large extent foreign-financed, in the oil fields of the Caspian Sea, with virtually no recovery in other industrial sectors. Georgia however was more affected by the negative external developments in 1998, with growth of industrial output continuing to slow throughout the year and the overall increase in its GDP in 1998 levelling off at about +2.9%, *i.e.* a much lower rate than in the previous two years (for example, +11.3% in 1997).

The relatively poor performance of the transition countries in 1998 was primarily due to a series of factors relating to both domestic and external **demand**. However, the characteristics of this demand still vary widely from one country to another and thus the contribution of the various components of final demand to GDP growth vary widely too. Two features shared by many transition countries that emerge from recent trends unquestionably make the transformation process fragile: on the one hand, the high degree of dependence on exports, which makes these economies very sensitive to external shocks, and, on the other, a gap between growth in domestic output and domestic demand that gives rise to serious balance-of-payments problems.

The erosion of real incomes stemming from the currency depreciation -- which was sometimes considerable -- that had been triggered in particular by the financial turbulence resulting from events in Russia, the re-emergence of strong inflationary pressures in some transition countries, and, in several cases, the austerity measures implemented to redress macroeconomic balances, caused a weakening of **domestic demand**, with, in its turn, adverse effects on output. The composition of final demand in many transition economies is still undergoing substantial changes, and sometimes the structure is abnormal; in many CIS countries, domestic consumption is close to, or exceeds, 100% of GDP. The recent crises relating to the transition process created other distortions in the composition of demand, which got worse in 1998, with, in particular, a reduction in the share -- which was already small -- of investment in many countries (for example, Bulgaria, Romania, Russia and the majority of CIS countries). This was certainly one of the factors that helped to create a further dividing line between the countries in transition, it being likely that the decline in investment in some of them will reduce the future rate of growth of their output.

The recent revival of economic growth in many East European countries and the Baltic States was often accompanied by very rapid growth of **private consumption**. In several cases (Poland, the Slovak Republic and the three Baltic States for example), the strong pick-up in consumption in 1996-97 had even been one of the main engines of economic development. 1998 however was characterised by a major change in private consumption in the CEECs, with a general slowdown reflected in the volume of retail trade. In most countries, the rate of growth of this trade slowed gradually, the quarterly volume even falling in the second half of the year in Croatia, Estonia and Latvia. Even though the deceleration in consumer demand was more or less general, the profile of that demand varied enormously across countries. In this respect, Hungary was a notable exception among

the Central European economies in 1998; after several years of restriction, private consumption, fuelled by a steep increase in real wages, underwent a veritable boom in 1998, with retail sales up by 7.5%, the growth in sales even accelerating during the year. In the Czech Republic, in contrast, private consumption, which had already fallen in 1997, fell further in 1998 (-2.8%) due to wage stagnation, declining employment and the tightening of credit terms. While in Poland the progress made since 1989 was reflected in the increase in private consumption, 1998 saw a marked slowdown in the growth of this indicator (+4.8% compared with +6.9% in 1997). The situation was similar in Croatia due to the implementation of fiscal and monetary measures to curb domestic demand. In Bulgaria and Romania, there was a modest increase in retail trade in 1998 but given the scale of the collapse the two previous years, the volume of sales was still well below its 1996 level (-27% in Bulgaria, -22% in Romania). In the Baltic States, the fall in consumer demand was most marked in Estonia, where retail sales (-2.8%) declined during the second half of the year. There was a fairly long time lag between the emergence of the crisis in Russia and its negative effects on household consumption, which really became apparent only in the fourth quarter of 1998, with household consumption plunging by 14.8% on an annualised basis. To a large extent, this can be explained by the precautionary purchases made prior to the crisis. All told, it is estimated that private consumption in Russia in 1998 fell by 3.6%, the crisis having slashed the standard of living of a large part of the population. Nominal incomes and wages failed to keep pace with inflation so that at the end of 1998 households' real average incomes and wages were down by 18% and 14% respectively on their levels at the end of 1997. After picking up moderately in 1997, private consumption again fell in Ukraine in 1998, mainly during the second half of the year. This was due to the rapid fall in incomes during the closing months of 1998 resulting from the revival of inflation following the devaluation of the hryvnia.

Data on **public consumption** are extremely piecemeal and show an almost general fall in this indicator in 1998, especially in Moldova (-38.7%), Latvia (-9.8%) and Bulgaria (-4.2%). Public consumption did however rise slightly in the Czech Republic (+0.6%), Poland (+1.5%) and Estonia (+1.9%) but at a much slower rate than the previous year. Hungary was again the exception, with an increase of 2.6% in 1998 compared with 1.5% in 1997.

**Investment**, especially in the manufacturing sector, is certainly one of the crucial elements of the transformation process. The most progress with economic restructuring was made in those countries where re-industrialisation got under way by means of large-scale, often foreign-financed, investment, gradual modernisation of industrial output and a growing role played by products with a higher technology content, with rapid expansion of exports to new markets. The situation regarding investment in 1998 varied widely across countries. Despite the slowing of economic growth, investment demand continued to be fairly high in many Central and East European countries and the Baltic States, with the notable exception of the Czech Republic, where the volume of fixed capital investment fell (-6.4%) for the second year running due to the country's economic difficulties. In several countries (EST, H, LT, PL, SK, SLO), investment even grew more rapidly than GDP, thereby making a significant contribution to output growth. Confirming its good economic performance, Hungary's gross fixed capital formation grew at a rate (+11.4%) well above that of the previous year. Since 1995, investment has been particularly dynamic in Poland rising by more than 20% in both 1996 and 1997. At the end of 1998, however, it marked time due to deteriorating business confidence and high interest rates; nevertheless this indicator rose by 14.5% for the year as whole. A large increase in investment has also been observed in Slovakia in recent years (+29.1% in 1995 and +40.8% in 1996) though most of it came from publicly-financed major infrastructure projects, especially in the transport sector; after the policy shift in the last quarter of 1998, this kind of investment should diminish sharply. Although reviving somewhat in 1998, investment remained fairly modest in absolute terms in Bulgaria, the share of fixed investment in the country's GDP still being one of the lowest among the CEECs. Preliminary data show that, in Romania, the collapse of Gross Fixed Capital Formation, already reported the previous year, continued in 1998 (-18.1%). In most CIS countries, including Russia (-7.0%), and with the exception of Azerbaijan, which benefited from the

bonus of oil investment, Gross Fixed Capital Formation continued to decline in 1998, in line with the trend since the beginning of the transition. Annual investment spending now represents only a small proportion of the level at the end of the 1980s.

Even though the structure of the factors that shaped economic developments in 1998 differed quite a lot across countries, the **external demand shock** was without doubt the main reason for the slowing of the rate of growth in output in most transition economies. The role of external demand, already sensitive since early 1998, was strengthened during the year. The countries in transition felt the direct effects of the weakening of global demand stemming from the Asian crisis, their exports of raw materials and intermediate goods being particularly affected. Following a sharp contraction in import demand from south-east Asian countries as a result of the depreciation of their currencies and the adjustment measures they had taken, CEEC and CIS exports, especially those to developing economies, fell sharply. Against this background, the Russian crisis constituted a second major shock for numerous transition economies, especially for those that had maintained close trade ties with the Russian Federation. From the beginning of 1998, exports by the transition countries to Russia started to fall but the collapse of the rouble in August 1998 caused Russian imports to plunge in the final months of 1998; the consequences for suppliers in the transition economies were all the greater in that Western Europe, and Germany in particular, the main Western trading partner of many transition countries, was at the same time in the throes of a general economic slowdown, making access to some alternative markets more difficult.

The Russian crisis at the end of the summer in 1998 and its repercussions on the other CIS countries immediately had a big impact on the export performance of the Central and East European countries and the Baltic countries and, in a lesser degree, on the growth of their imports. Although the region's dependence on Russian and CIS markets had been considerably reduced (10% of the region's imports and exports mid-1998 compared with 20-22% in 1991), the CIS is still a major customer for some of the main exports of the East European and Baltic countries, such as foodstuffs, beverages, other consumer goods, and chemicals. On account of the lack of hard currency and the collapse of Russia's payments system, trade with that country and with many CIS countries, and Ukraine in particular, plunged between August and October 1998, with trade in the aforementioned products among the most affected. In contrast, with the exception of the Baltic countries, exports of machinery and capital goods were little affected, this sector being to a large extent integrated into a process of vertically-integrated production within multinationals, which had made exports more stable and even enabled several countries to record, overall, strong export performances in 1998. None of the transition countries however, apart from Hungary, managed to offset losses in CIS markets by exports to other markets owing to the relatively slow growth of intra-regional trade and a fall in exports to developing countries. The cumulative effect of these losses was particularly marked in Poland and the Baltic States with, for example, a decline during the third quarter of 12 to 18% in value of exports foodstuffs and beverages, which also fell during the second half of the year in Croatia, Hungary, the Czech Republic and the Slovak Republic.

Notwithstanding these difficulties, the foreign trade of the *Central and East European* countries continued to grow in 1998 for the second year running. The value of the foreign trade of these countries rose on average by 8 to 9%, though this was due essentially to the progress made during the first months of 1998 when demand from Western countries was still buoyant, since exports subsequently weakened considerably during the second half of the year. On an annual basis, the growth of the exports of the Central and East European countries fell to +7.5% during the second half of the year whereas they had still been rising by 10.5% during the first half. As the international prices of many goods fell considerably, the growth foreign trade was generally higher in volume than in value; in the case of the CEECs, export volume growth in 1998 ranged between 9 and 12%. While the overall foreign trade performance of the region may seem fairly satisfactory, exports fell steeply in both value and volume in numerous countries. Only Croatia, the Slovak Republic and Slovenia

recorded a steady increase in their exports in value during the second half of the year. The faltering recovery in Bulgaria and the continuing crisis in Romania, in addition to the adverse external environment, had a big impact on the export performance of both countries, Bulgaria's exports falling by 13% between January and September while Romanian exports fell by 2% over the year. Though imports by Central and East European countries also slowed considerably during the year, they increased in Hungary (+21%) for the second year running, and also in Poland, where import growth in excess of two digits was observed. While imports also rose sharply in the Slovak Republic (+11%), Slovenia (+7.9%) and the Czech Republic (+4.6%), everywhere else in Central and Eastern Europe they were flat or down in 1998, the biggest decrease being in Croatia (-7.9%) where a very tight fiscal policy curbed domestic demand. The slowing of import during the closing months of 1998 admittedly enabled some countries (Croatia, Romania) to contain their trade deficits but, by and large, trade deficits widened, sometimes considerably, with the sole exception of the Czech Republic, which managed to cut its deficit substantially. The overall trade deficit of Central and Eastern Europe in 1998 amounted to close on US\$ 40.5 billion, up by US\$ 1.4 billion on 1997. The most marked deterioration in absolute terms was in Poland but deficits also rose sharply in Bulgaria and Hungary.

For the first time since 1994, the growth of the *Baltic countries'* exports, which decelerated sharply, was less in 1998 than that of the Central and East European countries, mainly on account of the collapse of demand in CIS markets. It barely exceeded 3% while imports rose by around 7%, compared with +25% and +30% respectively in 1997. It is estimated that, in value terms, their exports even fell by 5% in the second half of the year, with imports following a similar pattern in the last quarter due to the decline in domestic demand resulting from the fall in earnings from sales to the CIS and to the tightening of credit terms. Overall, as imports continued in 1998 to grow more rapidly than exports, the Baltic countries' trade deficit widened further, to nearly US\$ 5 billion, up by US\$ 0.7 billion on 1997.

The foreign trade of the CIS fell sharply in value terms in 1998; in most countries in the area, the trade balance worsened. The deterioration set in at the beginning of the year and gathered pace after the Russian crisis in August. During the first nine months of the year, the dollar value of CIS exports fell by 14%, and that of imports by 5%, Azerbaijan being an exception in this respect with impressive growth in imports of machinery and capital goods for the oil sector. The foreign trade of the CIS countries consisting mostly of exports of raw materials, the decline in their exports reflected to a large extent the fall in international commodity prices. Exports of crude oil, petroleum products, gas and ferrous and non-ferrous metals alone account for 70% of Russia's exports outside the CIS. The price of crude oil fell by 34% in 1998, with considerable repercussions on the total value of Russia and Azerbaijan's exports. Even though Russia tried to offset lower prices by stepping up the volume of exports, for many natural resources, the limit of production capacity was reached. Furthermore, transport bottlenecks hampered the expansion of export volumes. The fall in the prices of oil and other key exports caused Russia's trade balance to deteriorate markedly in the first half of the year. This situation, coupled with a widening of the fiscal deficit and a short-term debt spiral, paved the way for the financial turbulence during the second half of the year. The crisis in the banking system that accompanied the devaluation of the rouble in August produced an immediate and brutal reduction in Russian imports (-50% during the last quarter), which are mainly composed of foodstuffs and other consumer goods; the price of imports rose automatically, thus reducing effective demand for such products. The drying-up of Russian imports, and the rouble crisis, which triggered a chain reaction of devaluations in many countries with close ties to Russia, had a considerable impact on intra-CIS trade, which fell by nearly half during the month of September 1998 alone. Moldova, whose foreign trade is highly dependent on sales of agricultural products in the CIS, was hit particularly hard, with its exports cut by nearly two-thirds. Ukraine also saw its exports fall by more than a half. While the August crisis and the ensuing export collapse enabled the Russian trade balance to redress itself and ultimately to show a slight surplus for 1998 as a whole, though much smaller than in 1997, the overall trade

surplus of the CIS fell by more than 40% in 1998, with the trade deficits in most CIS countries apart from Russia widening seriously.

Alongside demand-related factors, other **supply-side** characteristics are pertinent to the analysis of the economic trends observed in the countries in transition in 1998. A detailed supply-side analysis shows that, unlike previous years, **industrial output** lost a lot of its momentum, whereas up to then it had been the mainstay of economic growth in many countries in transition. Manufacturing industry, which, fuelled by exports, had been the main engine of the renewal of economic growth in these countries via a veritable process of re-industrialisation, was the first to feel the brunt of falling demand when external conditions worsened. Throughout 1998, the growth rate of industrial output in the transition economies decelerated rapidly and even fell in most countries during the last quarter. Whereas industrial output in the Central and East European countries had still been rising at an annual rate of close on 6% in the first quarter, by the end of year it averaged only 1.4% for the year as whole (+5.6% in 1997), the lowest figure since 1993. Admittedly, this aggregated figure masks significant disparities between countries but, by and large, in those countries that had made the most headway with reform as well as in the Baltic States (+3.6% in 1998 compared with +9.4% in 1997), industrial output growth was sharply down on 1997, whereas in Southeast Europe the industrial recession worsened during the second half of the year 1998, with annual industrial output down by 9.4% in Bulgaria and 17% in Romania. With an industrial growth rate of 12.6%, which was up on than the previous year, Hungary was something of an exception; it owed this to the continuing recovery of its manufacturing sector, which is specialised in high value-added goods which are exported through the distribution networks of multinationals on the basis of long-term contracts, which makes their production less volatile. In contrast, the growth of Poland's industrial output, which was badly hit by the collapse of the Russian market, slowed considerably (+4.5% in 1998 compared with +11.5% in 1997), as did also that of the Czech Republic (+1.6% compared with +4.5% in 1997), which suffered from delays in the restructuring of industry and malfunctioning markets, with construction activities in particular in decline for the second year running. Industrial output in the CIS as a whole fell by 2.3% in 1998, thereby cancelling out the effects of the recovery recorded in 1997 for the first time after seven consecutive years of decline. The poor performance in 1998 was primarily attributable to the fall in industrial output in Russia (-5.2%), Georgia (-2.7%), Ukraine (-1.5%) and Moldova (-11%), where the decline took on bigger proportions. In contrast, industrial output is reported to have increased in Azerbaijan and Belarus in 1998.

The statistics for **agricultural output** are fairly incomplete. According to the information available, in 1998 the agricultural sector in the main producer countries of Central and Eastern Europe, with the exception of Poland, recorded poor results: Romania (-7.6%), the Czech Republic (-1.3%) and Hungary (-1.0%). Mainly due to poor grain harvests, the trend of agricultural output in the CIS was even more disquieting: -12.3% in Russia, -10.6% in Moldova, -8.0% in Ukraine and -8.0% in Georgia.

The deterioration in the transition countries' economic performance had adverse repercussions on **labour markets** in 1998. By the end of the year, the number of unemployed in the transition countries as a whole totalled 17.6 million, including 6.6 million in Central and Eastern Europe and 10.7 million in the CIS, the highest figure since unemployment statistics started to be compiled, *i.e.* the beginning of the 1990s. In this connection, two trends were especially disquieting: first, the high proportion of youth unemployment, which increased further in 1998 in most countries, the under-25s representing 40% of the unemployed population in Romania, and 33% or more in the Czech Republic, the Slovak Republic and Slovenia; second, the scale -- also on the increase -- of long-term unemployment (30% of total unemployment in the Czech Republic, 37% in Poland and as much as 60% in Bulgaria and Slovenia).

In the best of cases, the modest progress made the previous two years in *Central and Eastern Europe* slowed in 1998, but more often the unemployment rate started to rise sharply from the middle of the year and especially from the fourth quarter. In December 1998, the unemployment rate for the Central and East European countries averaged 12.6% compared with 11.6% in June of the same year. Once again, the job situation varied quite widely from one country to the next, reflecting the diversity of their economic situations and the headway made with reform. In December 1998, the unemployment rate for virtually all the Central and East European countries ranged from 7.5% (Czech Republic) to nearly 19% (Croatia). While fairly marked increases in employment were reported during the first three quarters of 1998 in Hungary and Poland, and, to a much lesser extent, in the Slovak Republic, Slovenia and Bosnia-Herzegovina, from, admittedly, very low levels in the latter case, everywhere else employment fell. The situation naturally worsened in the last quarter with the sharp decline in output, so that, overall, unemployment rose by 6% in 1998 in Central and Eastern Europe, three countries (Croatia, the Czech Republic and the Slovak Republic) even recording in December their highest ever unemployment rate since the start of the transition process. Thanks to marked increased in employment in industry and construction, even though it was flat in services and continued to fall in agriculture, Hungary bucked the general trend, managing to bring its unemployment rate down to 9.1% at the end of 1998 compared with 10.4% a year earlier. Despite a sharp deterioration in the latter half of the year, Poland was also one of the few countries that managed, for the fourth year running, to reduce its unemployment rate (10.5% compared with 11.3% the previous year); this result, which was well below that for 1997, was ascribable to the increase in employment in the construction sector and especially in services, while employment again fell slightly in agriculture and, at least at the end of the year, in industry. Although Slovenia was relatively unaffected by the Russian crisis, unemployment remained relatively high (14.6%), varying little from one year to the next. In contrast, in the Czech Republic, unemployment, which up to then had been very limited, rose rapidly to 7.5% in December 1998 compared with 5.2% twelve months earlier. This increase in the unemployment rate, which is still one of the lowest in the region, was ascribable to the adjustments carried out in the economy, the general contraction of activity and the restructuring of enterprises. Due to the restrictive fiscal and monetary policy implemented, the rate of job losses accelerated sharply in Croatia, which in December 1998 had one of the highest unemployment rates in Central and Eastern Europe if one excludes the special cases of Bosnia-Herzegovina and FYR Macedonia, where nearly 40% of the labour force were unemployed during the same period. Albania and the Slovak Republic also performed poorly on the employment front. Given the scale of the recession in Romania and despite numerous redundancies in the mining sector, the decline in employment was relatively limited, about -1% in 1998, making it possible to hold down the unemployment rate to 10.3% at the end of the year. However, this was achieved only thanks to an increase in employment in agriculture, which accounts for nearly 40% of total employment in the country and plays a key role in cushioning shocks in the labour market, since workers who are made redundant in industry and construction can use their generous redundancy pay-outs to return to the land.

The trend conducive to a revival of employment that had got under way in the *Baltic States* in 1997 and continued during the spring and summer of 1998 turned down sharply when the effects of the Russian crisis were felt. The change was so pronounced during the latter months of 1998 that, for the year as a whole, the Baltic countries ended up recording the steepest increase in the number of jobless among the transition countries (+14%), the unemployment rate in these countries rising to 7.3% in December after having fallen to 5.9% in June. Latvia is the Baltic State that is the most dependent on transit trade with Russia and many of its firms had to close down following the slump in exports to that country. It is thus not surprising that, despite a large expansion of the service sector, its unemployment rate -- the highest among the three Baltic republics -- rose steeply in 1998, to 9.2 % in December, the highest figure since the country became independent.

In the CIS, the decline in employment, which seemed to be slowing somewhat during the first three quarters of 1998 due to the modest economic recovery in several countries and especially to a considerable degree of over-employment, speeded up enormously as the August crisis took effect, unemployment rising by about 10% between June and December. In the Russian Federation alone, the unemployment rate grew from 11.2% at the end of 1997 to 12.4% in December 1998, the highest-ever figure. Apart from Russia, the official unemployment rates in the other CIS countries were still very low in December 1998 despite a sharp fall in output: 1.4% in Azerbaijan, 1.9% in Moldova, 2.3% in Belarus, 4.2% in Georgia and 4.3% in Ukraine. This undoubtedly reflected continuing over-manning in many large firms and a failure to record many jobless in the statistics. On some estimates, the real number of unemployed is as much as four times the official figure.

One of the major shocks for the former centrally-planned economies was unquestionably the sharp decline in employment at the start of the reform process and the appearance of unemployment, which until then had been unknown. The difficulty of emerging from this situation is without doubt one of the major features of the current transition. Over the long term, analysis shows a sharp drop in total employment in the countries in transition since 1989: -18% in the countries of Central and Eastern Europe, -21% in the Baltic Republics, -12% in the CIS countries. The persistence of relatively high unemployment rates suggests that the economic restructuring process has resulted mainly in significant productivity gains with, up to now, little or no net job creation. The industry sector, particularly the public industrial sector, was very badly affected at the start of the transition stage, while employment in the services sector has, contrary to some expectations, made little progress and has been uneven across the countries concerned in the agricultural sector. Developments in this respect in 1998 show that the delicate balance between, on the one hand, the job creation that goes hand in hand with economic recovery and the creation of new activities by the private sector, and, on the other, the job losses that result from restructuring, especially in public enterprises, can be easily upset if the economy shows signs of losing momentum, as it did in 1998.

In most of the economies in transition, **inflation** continued to recede in 1998. Disinflation was not only widespread, except in a number of CIS countries, but remarkably quick as well. Inflationary pressures—some internal, but mainly external—eased considerably. In a majority of countries, domestic demand was squeezed, albeit to varying extents, by deliberate or *de facto* tightening of monetary policy. For the most part, pay rises remained moderate, though their rate of increase continued to outpace that of production prices, thus contributing to a reduction in producers' margins. Labour productivity, which had risen remarkably since 1995 in many countries, grew much less rapidly from mid-1998 and even declined in the fourth quarter, not so much on account of wage rigidity or a lack of employment flexibility as because of the drop in industrial production. Pressures stemming from import prices, which had already abated considerably in 1997, continued to ease in 1998 as international prices declined for manufactures and consumer goods, the prices of the latter falling by more than 25% in one year. Moreover, the currencies of many transitional economies remained relatively stable, with some even appreciating vis-à-vis the major currencies, except in the months immediately following the Russian crisis. This lowered the cost of imports, but it also impeded exports and contributed to a slowdown in production growth.

While the slowdown in consumer price inflation of recent years continued in 1998 in most of the economies in transition, the trend did not affect all countries to the same degree, and above all it did not have the same causes. In *Central and Eastern Europe*, where the slowdown had been gathering pace from month to month, the only country to have experienced a rise in inflation was Croatia, due mainly to the introduction of VAT, yet the increase in prices there, remained one of the most modest in the CEECs (+5.6%). In Hungary and Poland, prudent monetary policies, budgetary discipline and effective exchange rate policy made it possible to slow the pace of inflation without disrupting production or demand, even if inflation in those countries tended to be higher than in other countries that had undertaken reforms very early. Disinflation continued there in 1998—at a pace that was in



fact quicker than in 1997, since in December the average annual rates of consumer price inflation stood at 10.4% in Hungary (18.5% in December 1997) and 8.5% in Poland (versus 13.2% a year earlier), where the reported inflation rate fell below 10% for the first time since the transition began. In the wake of stringent budgetary policy and strict income controls, domestic demand was reined in sharply in Slovenia, enabling the country to perform well in terms of inflation (6.6%). The same held true in the Czech Republic, where highly restrictive monetary measures resulted, *inter alia*, in a steep decline in inflation, which fell to an average annual rate of 6.7% in December 1998, versus 9.9% a year earlier. Favourable exchange rate trends and lacklustre demand were decisive factors in the disinflation observed in Albania, Bosnia-Herzegovina, and, to a lesser extent, FYR Macedonia. In Romania, the rate of inflation continued the slowdown begun in the second quarter of 1997, easing to 40.7% in December 1998—still high but down from 151.7% a year earlier. This decline was due to a weakening of consumer demand following a contraction of real incomes. Bulgaria, which until the beginning of 1997 had been experiencing hyperinflation, brought down the inflation rate spectacularly by means of stringent monetary controls and the institution of a currency board. Inflation, which had averaged 1 083% in 1997, was 22.2% for 1998 as a whole, even falling to an average annual rate of 0.9% in December 1998—the lowest in Central or Eastern Europe; nevertheless, this result could not be achieved without a severe reduction in demand and a collapse in output, and particularly industrial production.

In the *Baltic countries*, inflation continued to fall for the fifth year running, with the rate of decrease gaining in momentum over the course of the year. By December 1998, the annual inflation rate had fallen to 2.4% in Lithuania and 2.8% in Latvia, thereby remaining, as in previous years, significantly lower than in the other transitional economies. Success in this area stemmed primarily from the Baltic currencies' strength against other currencies, which greatly reduced prices for imported consumer goods. Estonia's results were less spectacular, but the annual inflation rate fell to 6.8% in December 1998, as opposed to 12.3% twelve months earlier.

In most of the CIS Member States, inflation during the first three quarters of 1998 either continued to slow or even disappeared, with consumer prices actually going down—the sole exception during the entire year being Belarus, where expansionary monetary and fiscal policy caused the rate of price increases to speed up continuously, rising to an average annual rate of 181% in December. Nevertheless, in the months following the Russian financial crisis, in the wake of the rouble's collapse and the initial panic it generated with regard to consumption, inflation picked up again sharply in most of the CIS countries, in contrast to the tendency in the other economies in transition. This change in trend was extremely pronounced in Russia. Whereas inflation there had fallen to an annualised rate of 5.7% in July, it soared to 84.5% in December (versus 11% a year earlier). In Ukraine, where macroeconomic instability and intense pressure on the value of the national currency developed in the first half of 1998, the depreciation of the hryvnia against the dollar by more than 50% between the months of August and December triggered an acceleration of inflation, which on a year-on-year basis stood at nearly 20% by the end of the year (10.1% in December 1997). There was also a reversal of trend in Moldova, which had achieved virtual price stability; after the central bank stopped propping up the leu in November and the currency depreciated considerably, inflation re-ignited, as it did in most of the States in which trade with Russia continued to play a significant role; the rise in prices in Moldova, on an annual basis, was 18.3% in December 1998, as opposed to 11.1% a year earlier.

The economic downturn in 1998 revealed the financial vulnerability of the transitional economies, to external shocks in particular. Given the changes that had taken place in the external environment and the turbulence in international markets, one of the key elements facing the transitional economies in 1998 was undoubtedly the deterioration of their **current account balances**, which further worsened in the fourth quarter because of the collapse in Russian imports and the slowdown in Western demand. By the end of the year, the current account deficits of many countries had widened to a level far exceeding the most pessimistic projections of early 1998. Indeed, in most

countries imports continued to rise more rapidly than exports, swelling the trade deficit, but in addition, the trade balance in services deteriorated in many cases, the surplus generated by this sector having remained flat because of mediocre tourism revenue (except in the Czech Republic) and significant imports of business services. The aggregate current account deficit in 1998 for *Central and Eastern Europe* rose to \$17 billion, or 4.5% of GDP, with significant variations by country, deficits in percentage of GDP ranging from 1.5% in the Czech Republic—one of the rare countries to have experienced an improvement in this regard, but at the cost of a severe recession—to 7% in Croatia and Romania and 11% in the Slovak Republic. Actually, the sharpest increases in current account deficits in 1998 were observed in the economies that had experienced the fastest growth these past few years (Croatia, Hungary, Poland and the Slovak Republic), highlighting the fact that the transformation process is heavily dependent on imports and borrowing from abroad. In the *Baltic States*, which have substantial trade links with the CIS, and where the collapse of trade with Russia had major repercussions, the current account deficit as a percentage of GDP ranged in 1998 between 10 and 13%, which is very high. The sharp rise in consumption was a major factor contributing to the widening of the deficit. In contrast to the trend in many other transitional economies, the current account balance started to deteriorate significantly in most *CIS* Member States in the first three-quarters of 1998, even before the Russian crisis. While the Russian Federation managed to achieve a slight trade surplus for the year as a whole, the surplus resulted from the sharp drop in imports that followed devaluation of the rouble and was far less than the surplus recorded in 1997. Ukraine was hit by a notable decline in net foreign exchange revenue from its transport operations (primarily oil pipelines), while Moldova in 1998 saw a severe worsening of its wide foreign trade imbalance; in terms of current payments, the latter rose to nearly 23% of GDP, the country being particularly vulnerable to contagion from Russian financial problems.

The consequences of the widespread financial crisis of 1997-98 can only reinforce the fears that have been voiced as to the sustainability of the transitional economies' current account deficits, especially insofar as the damaging effects of arrears on debt payments constitute a major handicap for these economies. One of the main manifestations of this crisis for the economies in transition has been a deterioration of their international credit terms because of lenders' increasing reluctance to deal with them, and the inherent internal weaknesses of some of these economies. As a result, it has become much more difficult for many Eastern European States to finance their foreign deficits. Thus, for example, access to foreign funds has become very limited for countries like Belarus, Moldova or Ukraine, whereas Russia's new medium- and long-term borrowings have diminished. Aggregate medium- and long-term loans obtained in 1998 by all of the economies in transition were down by nearly 30% in dollar terms. While total net inflows of capital to Central and Eastern European countries, as well as to the Baltic States, increased in 1998, as they had done in 1997, despite the turbulence in international financial markets, medium- and long-term borrowings by these same countries were down, whereas short-term credits increased, making their economies more vulnerable to the volatility of international markets. This relatively difficult situation did not prevent some of the countries that had made most headway with reform, and especially those in Central Europe and the Baltic area, from coping with their foreign imbalances without too much difficulty, since their inflows of foreign direct investment were not too greatly affected by the general financial crisis, and in some countries these inflows even increased. Growth in such investment was extremely sharp in Poland, for example, virtually doubling in one year and making Poland the main destination for foreign direct investment in the area. Apart from Poland, the Czech Republic and Estonia also enjoyed significantly increased foreign investment, while Hungary saw this type of capital flow recede following the completion of its privatisation programme.

The financial tensions also had major monetary repercussions for the economies in transition. The ability of national currencies to resist the financial turbulence that followed the Asian and Russian crises seems to have created a further dividing line between those transitional economies that have succeeded in transforming themselves and those that are lagging behind in the process. Most Central

European economies, as well as the Baltic countries despite their highly developed trade ties with Russia, succeeded in weathering the crisis without too much damage to their currencies. The same cannot be said for many CIS States (Belarus, Russian Federation, Georgia, Moldova and Ukraine) and certain south-east European countries (such as Romania), which had to resign themselves to the depreciation of their currencies, which in some cases was substantial. According to the experts, there remain many sources of financial instability which make the transitional economies very vulnerable and expose them to a variety of difficulties, if only because of their dependence on outside financing and the fragility of the budgetary situations of some of them. Two specific problems make it especially hazardous to make predictions in this area: first, the persistent fragility of banking systems ill-equipped to cope with the financial difficulties that could arise from a sharp slowdown in economic activity; and second, the drastic exchange rate adjustments that might be thrust upon the transitional economies if confidence in them were to be severely eroded—adjustments that could seriously jeopardise their prospects in terms of inflation and foreign debt.

## **FREIGHT TRANSPORT**

Problems arising from the restructuring of the economic and political systems of the countries in transition, the disappearance of the Soviet Union, the sharp decline in output which ensued, and from the unrest caused by the break-up of the former Yugoslavia, inevitably had an impact on freight transport in the countries of *Central and Eastern Europe* and in the *Baltic States*. In fact, freight sector traffic, in tonne-kilometres, declined by 45.6% from 1988 to 1992 in the CEECs, falling by 21.4% in 1991 alone. From 1993 on, as the first signs of an economic recovery were seen in some countries, freight transport saw business pick up again with traffic levels up by 1% in 1993 and 5.1% in 1994. The quickening pace of economic growth, its extension to most countries and the steady rise in industrial production, coupled with the gradual return to peace in the former Yugoslavia, could not fail to have an impact on freight transport in the CEECs. The sector showed very high growth, of over 10.6% in 1995. The levelling-off of economic growth observed in 1996 obviously had an impact on freight transport and the total volume, in tonne-kilometres, carried by inland modes grew by a mere 0.7%. Similarly, despite the crisis in several of the countries in Southeast Europe, the marked growth of GDP in most Central and East European countries and in the Baltic States was reflected by a much higher increase in freight transport (+4.7%) in the CEECs in 1997 than in the previous year. Confirming the sensitivity of the transport sector to economic cycles, the slowing of production stemming from the economic and financial difficulties of many countries in transition inevitably had negative effects in 1998 on freight transport in the CEECs, where overall it fell by nearly 2%. This was the first time since 1992 that there had been a decline in the freight sector.

However the situation in 1998 varied widely from one country to another. The CEECs' poor overall performance can be explained primarily by the set-backs in the Czech Republic (-13.9%) and Romania (-13.1%) which were faced with a severe economic recession. Freight transport also fell in Bulgaria (-0.4%), Latvia (-0.2%) and Hungary (-0.1%). In contrast, the number of tonne-kilometres carried by inland transport rose steeply in some countries that had been particularly affected by the break-up of the former Yugoslavia and the political and financial unrest in the Balkans in 1996-1997, namely Albania (+36.1%), Croatia (+9.5%) and, to a lesser degree, the FYR Macedonia (+1.2%). Estonia also experienced a spectacular increase in freight transport (+25.3%), which also rose in Poland (+1.8%) and the Slovak Republic (+1.7%).

Not all transport modes were affected in the same degree by the general decline in freight flows in the CEECs in 1998. While the volume of road and especially pipeline transport, in tonne-kilometres, rose significantly despite an unfavourable economic environment, the railways again experienced a very sharp decline in their freight business. The decrease in rail freight traffic observed

since 1996 following the strong recovery in 1995, which had ended six years of plummeting traffic levels, was thus confirmed and even amplified. As for inland waterways, there was little change in the volume of traffic carried in 1998 compared with the previous year. Over the long term, it should be pointed out that the different transport modes have not all been affected to the same extent by the overall negative trend in freight transport in the CEECs from 1989 to 1992. Nor have they all benefited to the same extent from the economic recovery brought about by advances in the transition process. Road transport, for example, was able to overcome the decline in activity, which had only become apparent from 1990 onwards, by as early as 1993 whereas the railways and inland waterways, which had seen their freight traffic levels steadily decline since 1989, had to wait until 1995 and 1994, respectively, before seeing a halt to this trend. Lastly, in recent years, the various transport modes have not all shown the same sensitivity to the economic cycle, the railways for example having been hit particularly hard by the economic slowdown in 1996 and 1998.

Over the last few years, freight transport trends in the *CIS countries* have not followed the same pattern as in the CEECs. They quite clearly reflect the difficulties that the former have experienced in reforming their economic systems, the penalties to be paid for falling behind in the transition process and the delays in implementing stabilisation policies, effecting structural change and introducing market mechanisms. The severe economic crisis that ensued led to a steady drop in output, with GDP down by close on 45% and industrial production by almost 50% between 1989 and 1996, the gains made in 1997 being cancelled out by the crisis in 1998. This slump has had very serious consequences for freight transport. The available statistics, which relate only to rail and road transport, show a fall of more than 61% in freight traffic levels for these two modes between 1990 and 1998. From 1995, the slowing of the rate of decrease of the GDP of the CIS countries, and even in 1997, for the first time since 1989, positive GDP growth, made it possible to limit somewhat the fall in freight traffic levels. Over the period 1995-1998, the number of tonne-kilometres carried by this sector fell by about 2.5% a year on average, whereas it had fallen at an annual rate of close on 13.5% between 1990 and 1994, and by as much as 18% in 1994 alone. The economic and financial crisis in 1998 naturally led to a further decline in the number of tonne-kilometres carried by inland transport (-1.8%) even though it was offset slightly by a steep increase in freight traffic in Azerbaijan (+37.5%) due to spectacular growth in pipeline traffic, and in Georgia (+90.5%). All the other CIS countries on the other hand experienced a fall in freight traffic, especially Moldova (-9.1%), the Russian Federation (-2.0%) and Belarus (-1.0%). In contrast to the CEECs, there was no substantial difference in the medium-term trends in rail and road transport in the CIS countries, both modes having seen a marked decline in activity since 1990. Owing to the very poor performance in 1998, road freight traffic levels even declined slightly more in percentage terms than rail freight levels, in sharp contrast with trends in the Central and East European countries.

After an encouraging period in 1995, when they returned to growth (+6.2%), the **railways** of the Central and East European countries and the Baltic States (CEECs) experienced a slight decline in their freight traffic in 1996 (-1.4%) and 1997 (-0.5%). The decline worsened considerably (-9.3%) in 1998, the railways of the CEECs recording that year the biggest annual decline in percentage terms since 1992 and bearing the full brunt of the adverse economic environment. According to the UIC, the decline in the East European networks' freight business had affected both international traffic (-2.0%) and domestic traffic, the latter however being the most affected (-13.8%). The overall deterioration in the performance of the railways in the CEECs in 1998 can be explained by the poor results of the railways in Romania (-20.5%), Bulgaria (-17.4%), the Czech Republic (-10.7%) and Poland (-10.0%) and, to a lesser extent, those in Latvia (-7.2%), the Slovak Republic (-5.4%) and Lithuania (-4.1%). In contrast, the railways in the Balkans, which are gradually emerging from a serious economic and political crisis, benefited from a marked recovery of their freight traffic: +46.2% in the FYR Macedonia, +10.1% in Albania, +6.7% in Croatia. The Estonian railways also reported a large increase in freight traffic in tonne-kilometres (+19.1%) resulting from strong growth of its international services, in contrast with the railways of the other two Baltic Republics. Lastly, it may be

noted that, in 1998, there was hardly any change in the volume of rail freight traffic in Hungary and Slovenia compared with 1997.

In the CIS countries, rail freight transport, the decline in which had seemed to slow somewhat in 1997 (-2.1%) after the large fall in 1996 (-8.0%), fell sharply in 1998 (-6.2%), though this was still a long way from the decline registered during the period 1990-1994, when on average the CIS railways lost nearly 17.7% of their traffic in terms of tonne-kilometres each year. The decline in 1998 was primarily due to the downturn in rail freight traffic in Moldova (-12.3%) and the Russian Federation (-7.3%) and, to a lesser extent, in Ukraine (-1.1%) and Belarus (-0.9%). In contrast, the railways in the Caucasus, especially those in Azerbaijan (+31.2%) and Georgia (+106%) reported a steep rise in the number of tonne-kilometres carried.

As a result of these trends, the volume of traffic in tonne-kilometres carried by the railways in the CEECs in 1998 was 58% down on the record levels of 1988. In the CIS countries, the decline was almost 61% compared with 1990 levels. The economic difficulties that these countries have had to face since the collapse of the communist regimes and the restructuring of their industrial bases, which are now less reliant on activities involving bulk transport (raw materials, ore and coal), have clearly taken a heavy toll on the railway networks. The railways have also had to bear the brunt of the transformation process and of the diversion of trade flows to and from these countries, which in the past generated large volumes of bulk transport traffic -- often in transit -- to or from the former Soviet Union.

Trends in *container* transport were largely responsible for the decline in the volume of rail freight traffic during the initial years of the transition process. The market for rail container transport, used extensively for movements to and from the former Soviet Union (due to differences in rail gauges) has collapsed completely. Between 1989 and 1995, the number of containers shipped by rail in the CEECs fell by more than 86% and the tonnage carried by nearly 71%. The main period of decline was between 1990 and 1992 but, after a period of relative stability from 1993 to 1995, traffic levels staged a strong recovery in 1996 with an increase in tonnage (+14.5%) and in 1997 (+9.4%). Despite an unfavourable external environment, this trend continued in 1998 (+12.2%) while the number of containers carried by rail also increased by 6.2%. The 1998 increase was primarily attributable to the good results of the railways of Bulgaria where, confirming the strong recovery begun in 1997, tonnage carried more than doubled, of the Czech Republic (+17.3%) and Romania (+11.9%). In contrast, the tonnage of container freight handled by the rail networks of Estonia (-44.8%) and Latvia (-15.0%) fell sharply for the second year running due to the collapse of certain types of traffic with the Russian Federation, a significant fall in tonnage also being reported in Croatia (-11.0%) where this type of transport has fallen by more than 30% in volume since 1994. Closer examination of the changes that have taken place since the beginning of the transition process, with regard to both the number of containers and the tonnage carried by this mode of transport, reveals some slightly divergent trends in these two indicators since 1992. For instance, from the base year onwards -- with the sole exception of 1996 -- the number of containers handled declined steadily while container tonnage almost invariably increased. While both indicators were positive in 1998, the increase in the number of containers was less than half that reported for tonnage. This divergence undoubtedly reflects a degree of rationalisation of this type of transport and more efficient use of the Intermodal Transport Units (ITU) carried by rail.

Statistics on container transport by rail in the CIS countries are patchy, the Russian Federation in particular having provided data only on tonnage carried but not on the number of Intermodal Transport Units carried. In 1998, container tonnage handled by the CIS networks -- with Russia alone accounting for nearly 95% -- was down by 9.3%, while the number of containers (excluding Russia) was down by over 24%, mainly as a result of a steep decline in Ukraine. Apart from Georgia (+39.7%), where the level of container traffic is however quite modest, the tonnage carried by

container fell in all other CIS countries, with the worst performance in Ukraine (-34.7%) and Moldova (-34.5%). As regards international traffic, ICF data show that rail container traffic handled by this company with and *via* the CIS felt the impact of the economic crisis in that region in 1998. The number of units carried by ICF on routes to and from CIS did not exceed 46 392 TEUs that year, down by 9.7% on 1997. Closer examination of the medium-term trend of the volumes carried by container by the CIS railways shows that rail container traffic collapsed during the period 1991-1998, with tonnage down by nearly 80% (Russia included). Excluding Russia, the statistics for the same period show that rail container tonnage declined by 96% and that the number of ITUs fell by 95%.

Apart from the Polish company, Polkombi, which reported in 1998 a 40% increase in its shipments (+2.3 TEU), mainly due to the introduction of a Warsaw-Rotterdam service and to the strengthening of international co-operation on routes to the Czech Republic, all East European *road-rail* operators that are members of the UIRR have one point in common: they all operate internationally and rely heavily on the rolling road technique. For the most part, these companies reported good results in 1998 in an economic climate that was admittedly not very favourable. For example, the company Bohemiakombi saw a 15% increase in the number of its shipments despite the persisting economic recession in the Czech Republic, mainly due to the introduction of a new service run jointly with Polkombi and the strong performance of the rolling road with Germany, especially on the relatively short rolling motorway between Lovosice and Dresden. The Hungarian firm Hungarokombi posted a 9% increase, with strong growth in accompanied combined transport using the rolling road (which accounts for two-thirds of its business), especially on the Szeged-Wels route. In contrast, shipments by the Slovene company, Adria Kombi, which had risen remarkably in 1997, grew only slightly (+2%), the Russian crisis and the economic slowdown as well as the resulting over-capacity in road transport having made combined transport less competitive on some routes, plus the fact that rail companies had increased their tariffs. Of the operators in the CEECs, only CS Eurotrans in the Slovak Republic reported a decrease in shipments but this company is still in the start-up stage, having been set up only recently.

Statistics relating to **road transport** in the countries in transition need to be treated with caution. The road sector is undergoing radical transformation with the privatisation, often accompanied by the break-up, of the large public corporations which had in the past enjoyed a virtual monopoly, the emergence of large numbers of small private road-haulage firms and the disappearance of certain types of own-account transport services operated by enormous industrial conglomerates. While the statistical reporting systems in the countries concerned were able in the past to provide highly detailed information on the traffic movements generated by a small number of large public enterprises, in many cases they are no longer capable of providing an accurate picture of an increasingly fragmented sector in which the number of operators in the market is rapidly rising. The Czech Republic offers an illuminating example of this change. After carrying out surveys of all road-haulage firms and not just, as in the past, those employing more than 25 people, the Czech authorities were obliged on several occasions to revise the statistics they published. These changes in methodology, which have led to breaks in the data series, are for example one of the main reasons for the increase in road-haulage activities reported in 1994 alone in the freight sector. The 1997 data supplied by Latvia also incorporate own-account transport for the first time and are therefore not readily comparable with the statistics for previous years.

The statistics nonetheless indicate that the decline in freight transport activities in the countries of Central and Eastern Europe and the Baltic States only began to affect the road freight sector from 1990 onwards, whereas all other modes had already been affected by as early as 1989, and that the decline was far less pronounced than that in other modes of transport. Better able to adjust to the new economic structures which were being put in place and invigorated by the arrival of private operators, road transport has therefore withstood relatively better than its competitors the dramatic decline in freight traffic which ensued from the transition process in the CEECs. Furthermore, unlike the

railways and inland waterways, the situation in the road sector ceased to deteriorate by as early as 1993, when road-haulage traffic began to rise again after three years of decline. This trend gathered pace in 1994 and 1995, as the road sector was able to take full advantage of the increased traffic generated by the economic recovery in most of the countries of Central and Eastern Europe. The increase in total tonne-kilometres carried by road was 16.4% in 1994, the highest recorded since 1970, and 11.8% in 1995. The pace of economic growth slackened a little in the CEECs in 1996, a development which inevitably affected the activities of road-haulage companies whose output in terms of tonne-kilometres grew by a mere 0.8%, a rate of growth significantly lower than that observed in the three previous years. The return to a better economic climate in 1997, was duly reflected in a sharp increase in road freight transport (+12.5%) in the CEECs. Reflecting the dependence of this mode on the general economic climate, the growth rate of road freight transport strongly subsided in 1998, reaching a maximum of around +2.9%. However, this result masks extremely different situations in individual countries. The rapid deceleration in 1998 can be primarily explained by a marked fall in road freight traffic in the Czech Republic (-16.6%) and the FYR Macedonia (-12.8%) and, to a much lesser extent, in Hungary (-0.5%). In contrast, the gradual return to normal of the economic and political situation in the Balkans enabled road transport to grow rapidly in Albania (+36.6%), Slovenia (+7.2%) and Croatia (+5.5%). Road freight transport also rose steeply in Estonia (+36.7%), the Slovak Republic (+25.7%) and Latvia (+22.6%), and also grew in Poland (+9.2%), Bulgaria (+8.5%) and Romania (+3.6%).

In the CIS countries, the statistics -- available only from 1990 onwards for the Russian Federation and Ukraine -- show a rapid decline in road freight transport from 1990 to 1997: -57.6% over the period. This steady decline continued in 1998 and even intensified (-11.4%) though the situation varied from one country to another. While road freight transport fell sharply in Russia (-12.3%) and Azerbaijan (-10.1%) and, to a lesser extent, in Belarus (-1.7%), it expanded remarkably in Georgia (+26.9%) and Moldova (+19.3%). Some caution is needed in interpreting these figures. The data supplied by most of the CIS countries actually relate only to road transport for hire or reward and, often, only to public enterprises. They are therefore unable to tell us exactly what is really happening in a sector that is changing radically with the arrival of private firms on the market and the expansion of own-account transport.

Statistical indicators specifically for the international activities of road hauliers in the countries in transition are virtually non-existent. One of the few sources of information available is the number of TIR logbooks issued. The sudden slowdown in 1996 in the growth of foreign trade in the countries in transition also had an impact on the number of logbooks issued to them. The total issued rose by a mere 6% in 1996. In 1997 the number of logbooks issued to the countries in transition again increased rapidly (+17%), reflecting the renewed dynamism of international trade in Europe. The sharp slowdown in the latter in 1998 inevitably had an impact on road transport especially between Western and Eastern Europe, as the COMEXT database of the European Union shows, with a 2.8% fall in tonnage carried by road between the European Union and non-EU trading partners. It was also reflected in a sharp decrease in the rate of issue of TIR logbooks, the number of which allocated to the countries in transition increased by only 1.6% in 1998, by far the lowest rate of increase since 1990. There were moreover substantial variations from one country to another, with the CEECs reporting a fall of 0.2% in the number of TIR logbooks issued to them in 1998. This was the first time since the start of the transition process that the number issued to them had decreased. In contrast, demand from the CIS countries rose by a further 7.5%, which was still well below the increase in 1997 (+35%). Over the longer term, it should be noted that the number of TIR logbooks issued each year to road hauliers in the countries in transition is 9.6 times the number in 1989, thus demonstrating their growing involvement in international trade.

In the CEECs, the volume of freight carried by **inland waterway**, measured in tonne-kilometres, hardly changed in 1998 on 1997 (+0.1%). After the spectacular recovery of this mode in 1995

(+36.0%) following the resumption of traffic on the Danube once the blockade on the Yugoslav section of the river had been lifted and the political situation in the region had returned to normal, the results for 1996 and 1997, with an increase of about 5.9% each year, had confirmed the recovery of inland waterway transport, which had plummeted by almost 60% in Central and Eastern Europe over the period 1988 to 1994. The stability observed in 1998 undoubtedly marks a levelling-off in the recovery of this mode, with the number of tonne-kilometres carried still down by more than 36% on the record level 10 years earlier. In 1998, inland waterway transport experienced strong growth in Poland (+17.8%), and in the Czech Republic (+9.5%), where it had fallen significantly the previous year. It also rose in Bulgaria (+5.0%) and, to a lesser extent, in the Slovak Republic (+0.5%), as well as in Croatia and Lithuania, but in the latter two countries it remains a very marginal mode. In contrast, inland waterway transport fell significantly in Hungary (-9.2%) and Romania (-2.8%).

Of the CIS countries, only Belarus and the Russian Federation provided recent data on inland waterway transport. These data show a decline of over 11.2% in inland waterway traffic after a slight recovery in 1997 (+5.8%). The poor performance of this mode in 1998 was entirely due to the Russian Federation, since inland waterway freight traffic rose in Belarus (+7.8%) for the second year running. Over the long term however, it remains a fact that the number of tonne-kilometres carried by the inland waterways of the CIS countries that collect statistics on this mode, has fallen by almost 72% since 1985 (-95% for Belarus alone).

After a slight downturn in 1997 (-0.5%), the results in 1998 confirmed the strong recovery of **pipeline transport** in the CEECs since 1994 (+80% in five years) after a major decline from 1989 to 1993 as a result of the slump in transit traffic from the former Soviet Union. The very positive trend observed in 1998 (+12.4%) can be partly explained by the growth of exports by the main East European producer countries, which sought to limit the impact of the fall in oil prices by stepping export volumes. It was mainly due to a steep increase in shipments of petroleum products by pipelines in Poland (+23.2%), Croatia (+18.8%) and Lithuania (+11.6%). In contrast, these shipments fell in 1998 in Bulgaria (-7.2%) as well as in Romania (-1.7%) and the Czech Republic (-1.3%). Despite the recovery since 1994, pipeline transport, in terms of tonne-kilometres carried, was still down in the CEECs in 1998, by 14% on the record level of 1988, the decline even attaining 35% for the countries in Central and Eastern Europe, Russia now preferring to export its oil via the Black Sea and the Baltic.

Azerbaijan and the Russian Federation were the only countries to provide statistical data on pipeline shipments of petroleum products. These more than doubled (+142%) in Azerbaijan in 1998, reflecting the dynamism of the country's oil sector but they were still more than 23% down on the record level of 1986. The number of tonne-kilometres carried by Russian pipelines was up by 2.4% in 1998, the best result since 1990 for this transport mode, which, with the sole exception of 1996, had been in steady decline. This result was however still down almost 27% on 1990.

The data for **maritime container traffic** in the CEECs show an increase in 1998 of nearly 9.2% in the number of units loaded and unloaded in the ports of these countries, and a rise of more than 3.9% in tonnage terms. After the setback observed the previous year (-0.6% in terms of the number of containers, -5.4% in tonnage terms), this result made possible a return, albeit on a smaller scale, to the growth recorded between 1993 and 1996; during that four-year period, this mode had expanded dramatically: the number of maritime containers loaded and unloaded had increased by almost 60% and tonnage had virtually doubled. However, the shocks that affected international trade from 1997, culminating in the Russian crisis in August 1998, had significant repercussions on maritime container transport. In 1997 and 1998 this mode became less efficient: the number of empty containers increased, as attested by the contrasting trends of the number of containers loaded and unloaded in the CEECs, and the tonnage carried, the former rising much more rapidly than the latter. On the basis of the tonnage of container freight handled by maritime ports in the CEECs, overall growth in 1998 reflects primarily the dynamism of ports in Poland (+15.8%) and especially those in Albania (+38.8%)



and Romania (+32.5%), which experienced a recovery in traffic after a sharp decline in 1997. Figures for the number of containers handled confirm the good results reported by these ports. Bulgarian ports, which have statistics only on the number of containers handled (+2.5%), also recorded an increase for the second year running. In contrast, ports in Latvia (-10.6% in tonnage terms, -4.2% in terms of number of containers) and Lithuania (-3.1% in tonnage, -12.0% in number of containers) were badly affected by the slump in Russian imports and exports of unitised freight, while Estonia held up relatively better (+1.4% in tonnage, +1.6% in number of containers); the low level of container traffic in the Baltic ports has, however, been largely compensated by the growth in petrol shipments and exports of bulk products by Russia with a view to maintaining an equilibrium in its balance of payments. Croatia also reported a large decrease in the number of containers handled by its ports (-49.8%) as well as in tonnage (-56.3%). On the other hand, this country, which is one of the only transition economies to collect data on short-sea shipping (national cabotage), saw a 5.9% increase in such traffic, admittedly after a 15 % decrease the previous year.

Although there were major differences from one country to another, maritime container transport undeniably expanded in Eastern Europe and the Baltic region from 1992 onwards. While this was primarily the outcome of growth in foreign trade and the redirection of trade flows in the countries in transition, it is also clear that some of these countries found container shipping to be a viable alternative to overland routes that had become dangerous to use due to persisting insecurity in certain regions, lack of transport infrastructure and the levying by several States of extremely high transit taxes on lorry traffic. Doubtless the recovery of some of the conventional means of transport for Russian exports and imports, after the disruption caused by the collapse of the communist regime, also contributed to the increase in maritime container transport in the CEECs, at the same time rendering this form of transport more sensitive to the changing economic situation in Russia.

In the CIS, Georgia and Ukraine were the only countries that were able to supply data on maritime container transport. However, the data go back only as far 1993, thus precluding analysis over a longer period. The data available show that maritime container transport has expanded very rapidly in Georgia since 1993 both in terms of number of units handled in ports, which increased more than ten-fold, and of tonnage (+173%). The results for 1998, with an increase of 14.4% in the number of containers handled by Georgian ports and of 7.1% in tonnage, bear out this general trend. In contrast, the growth of maritime container traffic was much modest in Ukraine, the number of containers handled by its ports having risen by only 5.6% since 1993. Moreover, this transport mode seems to have been stagnating for the past two years, the number of containers loaded and unloaded in Ukrainian ports even falling by 1.8% in 1998, with a very significant decline in tonnage. The rare data provided on short-sea shipping seem to indicate a decline in this mode in 1998 in the CIS: -11.4% in Azerbaijan, -40% in Russia and -50% in Ukraine.

Changes in the economic and political structures in ECMT Member countries in transition, and the gradual application of market economy rules to the transport sector in the place of highly inflexible central planning, have had a major impact on the modal split, at least in the CEECs. The following table, based on data supplied by the 14 Central and Eastern European countries and the Baltic States<sup>5</sup>, clearly shows the changes that have taken place. The obvious beneficiary has been the road sector. This table also shows the extent to which the modal split in these countries, which is still characterised by the importance of the railways, differs from that in ECMT Member countries in Western Europe.

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5. AL, BG, BIH, CZ, EST, H, HR, LT, LV, MK, PL, RO, SK, SLO.

**TRENDS IN MARKET SHARE (PERCENTAGE)  
OF MODES OF TRANSPORT IN THE CEECs**

Freight transport in t-km

	1970	1975	1980	1985	1990	1995	1997	1998
Rail	80.6	76.1	71.9	73.1	67.3	54.4	50.8	47.7
Road	16.5	21.4	25.4	24.4	30.0	42.9	46.3	49.3
Inland waterways	2.9	2.5	2.7	2.5	2.7	2.7	2.9	3.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The information concerning inland waterways being too incomplete, statistics for the CIS countries are solely for rail and road transport and cover only the period 1990-1998. During this period, when the railways had a virtual monopoly on freight transport, the modal split changed very little. The share of rail in tonne-kilometres was around 90% in both 1990 and 1998, when it was even slightly up on the previous year. These figures prove that the introduction of economic reforms and market mechanisms has indeed fallen far behind in the freight transport sector in the CIS: the modal split still bears the distinct imprint of the organisation in place before the transition process, when rail was given priority over other modes for freight transport. They also show that current statistics are unable to reflect the changes that have taken place in the road sector and give a realistic picture of an industry that is changing radically with the entrance of many private firms onto the market and the emergence of own-account transport.

### PASSENGER TRANSPORT

Due to the lack of statistics on private car use, it is not possible to provide a comprehensive overview of passenger traffic in the countries in transition. In fact, the available data in most countries relate only to public transport. This gives a distorted picture of the real situation in the passenger transport sector, the more so since growth in car ownership and traffic is one of the most visible signs of the process of reform in these countries. For information, and in order not to confine ourselves to land-based travel, it should be pointed out that airline companies in CEEC and CIS countries have seen passenger-kilometres increase by 6.2% and 10.6% respectively in 1998, according to IATA statistics.

In Central and Eastern European countries and the Baltic States, **rail passenger transport** fell by a further 6.1% in 1998, a total decline of over 55% from the record levels of 1989. Despite signs that it had slowed somewhat in 1995 and 1996, the steady decline in rail passenger transport that had taken place since 1989 therefore continued, and actually worsened in the course of 1998, thus confirming the acceleration of the decline in 1997 (-5.1%). This negative trend can in part be explained by lower levels of overall mobility owing to constraints on household income but also by sometimes substantial increases in rail fares as a result of the catching-up process and the political resolve of governments to reduce subsidies to the railways. It is also attributable to increased competition from private cars as a result of the steady increase in car ownership levels already at over 300 cars per 1 000 inhabitants in several countries and much higher in major cities (for example, 593 cars per 1 000 inhabitants in Prague). A detailed analysis of the position of the railways shows that the significant overall drop in rail passenger traffic in the CEECs in 1998 was in fact very widespread. Among the most seriously affected were the railways of Bulgaria (-19.5%) and Romania (-15.0%) and, to a lesser degree, Estonia (-9.6%), the Czech Republic (-9.1%) and Latvia (-7.9%). The only countries in which rail companies reported an increase in passenger-kilometres were Slovenia (+4.7%), Hungary (+2.2%) and the

Slovak Republic (+1.1%), as well as two countries which had been hit particularly badly by the Balkans crisis, the FYR Macedonia (+4.3%) and especially Albania (+22.1%), where however rail passenger traffic in 1998 was not more than 15% of its 1990 level. According to information provided by the UIC, the reason for the setback of the CEECs railways in 1998 was a decline in both their domestic and international traffic. However, the decline in international traffic (-16.1%) was much more marked than on the domestic market (-5.4%), the Croatian, Hungarian and Slovenia networks being the only ones to report an increase in their international traffic, which, moreover, is still very marginal in the CEECs, representing less than 4% of the total number of passenger-kilometres carried by these countries' railways.

In the CIS countries, the railways, which until 1993 had been able to maintain their passenger business at a remarkably steady level compared with 1990, have since faced a very rapid decline in passenger traffic. This recent trend was confirmed in 1998 when the number of passenger-kilometres again decreased by 9.0% (-6.0% if one excludes the railways of the Russian Federation). This is a significantly larger drop than in the two previous years. It brings the total decline in passenger traffic since 1993 to almost 60% in ECMT Member countries of the CIS. A breakdown by individual network however shows a fairly contrasting situation in 1998. While the Georgian railways (+35.2%), the Azerbaijan railways (+12.5%) and, despite a sharp fall in their international traffic, the Belarus railways (+2.8%), reported a positive trend in their passenger traffic in 1998, the main CIS networks, Russia (-10.2%) and Ukraine (-8.4%), experienced a large decline in their passenger traffic, as did also the rail company in Moldova (-16.9%).

Statistics on transport by **private car** are extremely patchy for the CEECs and non-existent for CIS countries. Albania, Hungary, Poland, the Czech Republic and the Slovak Republic were, in fact, the only countries that supplied official statistics on car traffic in 1998. According to these statistics, the number of passenger-kilometres carried by this transport mode increased in 1998 in these five countries by 5.1% on average, each of them recording an increase. After four consecutive years of decline, transport by private car returned to growth in Hungary, though at a fairly modest rate (+0.7%). However, in this country, car traffic in passenger-kilometres has fallen by 9.3% since 1993 while the number of cars has risen by 9.8% over the same period. The reason for this trend was probably a decline in car usage as a result of vehicle running costs -- particularly petrol costs -- that are still very high in relation to household incomes; the recovery observed in 1998 was no doubt due to the buoyancy of the Hungarian economy that year. Data provided by Albania show that transport by private car, which had been badly hit in 1997 (-30%) by the economic and political crisis in the country, benefited in 1998 from the return to a more normal situation in the region (+34.1%), returning to a level of activity close to that prior to the unrest in the region. In the other three countries with statistics in this area, the number of passenger-kilometres carried by passenger car rose respectively by 6.2% in Poland, 4.0% in the Slovak Republic and 3.1% in the Czech Republic. Whereas in Poland and the Czech Republic, car traffic has risen steadily since 1993, growth in car traffic was slightly more uneven in the Slovak Republic, where it has really taken off only since 1997. Overall, it is estimated that, since 1993, transport by private car has risen by almost 62% in the five Central and East European countries under consideration<sup>6</sup>. Although this figure should be interpreted with caution, because it is based on a series of estimates, it does concord quite well with what is immediately obvious to any observer, *i.e.* the radical change in the structure of the passenger transport market in the CEECs with the massive expansion in private car ownership. Moreover, data on the vehicle fleet confirm this trend. Growing strongly, car ownership per 1 000 inhabitants now stands at upwards of 300 in Slovenia (385), in the Czech Republic (339), and in Estonia (309), attaining 264 in Latvia, 221 in Poland and 220 in Hungary and over 200 in Bulgaria, Croatia and the Slovak Republic. In comparison, the highest level of ownership in the CIS countries is in Russia with around 120 cars per 1 000 inhabitants and Belarus (111); the number falls to 36 in Azerbaijan and to 46 in Moldova.

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6. AL, CZ, H, PL, SK.

These figures clearly indicate that in the CIS countries personal travel is still essentially by public transport modes and that the transformation of the passenger transport market, with fast rising car ownership levels, is only at the very early stages.

After a break in 1997 -- thanks to a modest increase of 0.3% -- the decline in **bus and coach transport** which had been uninterrupted since the start of the transition process, resumed strongly in 1998. The number of passenger-kilometres carried in the CEECs fell by 6.8%, the biggest drop since 1994. This brought the decline in bus and coach traffic in the Central and East European countries and the Baltic States since 1989 to more than 52%, the reasons for this being broadly the same as for the decline in rail passenger transport. Traffic was down in the majority of countries in 1998, the worst affected being Romania (-33.8%), the Slovak Republic (-16.5%), Croatia (-11.1%) and Lithuania (-8.2%). Only three countries reported a positive trend in public passenger transport by road: Latvia (+10.6%), Poland (+2.7%) and Estonia (+1.2%). In the CIS countries, bus and coach transport has been falling steadily since 1991, though the rate of decline had seemed to have slowed somewhat in 1997 (-0.8%). In 1998, the number of passenger-kilometres carried by this mode again fell sharply (-3.2%), bringing the decline in public passenger transport by road to over 50% since 1990. While this sector made further progress in 1998 in Azerbaijan (+18.4%) and Belarus (+8.6%), confirming the recovery that had already been reported the previous year, it had a lot of difficulties in Moldova (-0.7%) and especially in Russia (-4.3%).

## ROAD ACCIDENTS

A careful review of trends in road safety in 1998 reveals a favourable trend in all the indicators without exception, whether it be the number of accidents, casualties and fatalities on the road networks of the Central and East European countries, in sharp contrast with the previous year, when all the indicators had increased sharply. This confirms the volatility of the results of the road accident prevention policies implemented in the CEECs, once the initial explosion in car ownership which had followed the fall of the Iron Curtain was over. After an unquestionable improvement from 1991 to 1993 -- after three years running (1988-1990) in which accidents and casualties had increased alarmingly, road safety deteriorated again from 1994. This situation, which stabilised somewhat in 1996 before resuming even more dramatically in 1997, thus seems to have ceased in 1998 owing to a new reversal of trend. In contrast to the CEECs, the data provided by the CIS countries had showed a steady improvement in road safety since 1991 (the base year for the available time series). However, this trend, which is evidently the result of the as yet very limited growth in car traffic in these countries, seems to have halted for the first time in 1998. The data show an increase in the number of accidents and an even larger increase in the number of casualties, and especially of fatalities.

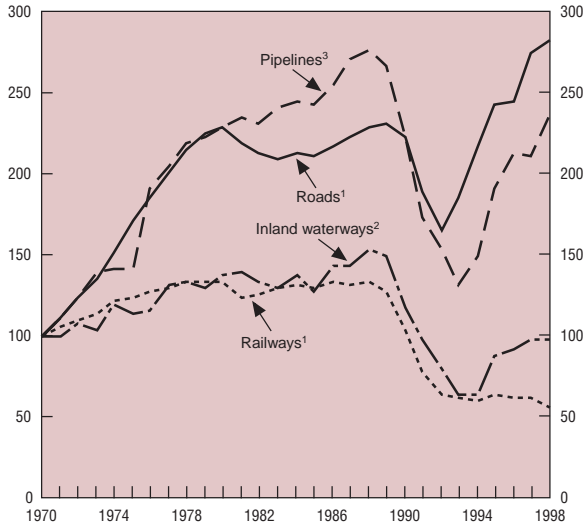
The total number of **road accidents** fell by 1.3% in the CEECs in 1998 whereas it had risen by 6.2% the previous year. Apart from 1997, however, this was the highest number ever in the Central and East European countries and the Baltic region. The most significant progress in this area in 1998 was made by Slovenia (-15.8%), Poland (-7.1%), the FYR Macedonia (-5.1%) and the Czech Republic (-4.1%). In contrast, the situation deteriorated badly in the three Baltic States (+21.2% in Lithuania, +15.7% in Latvia, +8.1% in Estonia), where all the indicators showed a sharp deterioration in road safety in the past two years. The same was true of Albania (+17.0%) due to the gradual recovery of car traffic, which had been badly disrupted by the crisis in 1997, Bulgaria (+14.7%), Croatia (+10.2%) and Hungary (+5.5%). In the CIS countries, the number of road accidents rose by 0.8% overall in 1998 after having fallen for three years in succession. This increase was due entirely to the Russian Federation (+2.4%), while the number of road accidents was much lower in Moldova (-11.0%) and Ukraine (-4.2%) and, to a lesser extent, in Belarus and Azerbaijan.

The total number of **road accident casualties** in the CEECs fell by almost 0.8% in 1998, marking a break in trend with the previous year, when the number of injured and killed on the roads in Central and East European countries had risen substantially (+7.2%). The fact remains however that there were again nearly 229 000 casualties on the roads of Central and East European countries and the Baltic States; with the exception of 1997, this was the highest level ever, almost 37% higher than in 1988, before the start of the transition process. There were however significant differences between countries. While in 1998 the number of casualties fell sharply in Slovenia (-15.1%), Poland (-6.5%), the FYR Macedonia (-5.1%) and the Czech Republic (-4.2%), it rose steeply in Lithuania (+22.7%), Latvia (+16.2%), Bulgaria (+13.4%), Croatia (+10.7%) and Albania (+10.6%). In ECMT Member countries of the CIS, the number of road accident casualties rose by 1.7% in 1998, thereby putting an end to the steady progress that had been made in this area since 1991. This worsening was primarily due to an increase in the number of killed and injured in Russia (+3.5%), the other countries reporting a fall in this indicator, especially Moldova (-9.2%), Ukraine (-4.6%) and Belarus (-1.6%), while there was little change in Azerbaijan.

In 1998, the road accident death toll in the countries of Central and Eastern Europe and the Baltic States was over 17 600, a 1.7% decrease in **fatalities** compared with the previous year and especially a complete reversal of trend (+7.2% in 1997). The number of deaths on the roads in the CEECs in 1998 was thus more than 19% down on the record level in 1990 at the very start of the transition process, a period when unrestricted use of the car, a symbol of new-found freedom, was reflected in a dramatic increase in road deaths (+53% in two years). The reduction in the number of road deaths in 1998 can be attributed primarily to the data provided by the Czech Republic (-14.8%) and Slovenia (-13.4%). In contrast, the number of road deaths rose steeply in Latvia (+19.4%), Albania (+15.8%), Lithuania (+14.2%) and Bulgaria (+9.6%). As regards the CIS countries, the number of road deaths was up (+2.7%) in 1998 for the first time since 1991, confirming the break in trend already noted for accidents and casualties. The situation varied however across countries. While the number of road deaths rose in Belarus (+6.8%) and Russia (+4.9%), it fell significantly in Moldova (-13.5%) and Ukraine (-6.8%) and, to a lesser extent, in Azerbaijan (-1.8%).

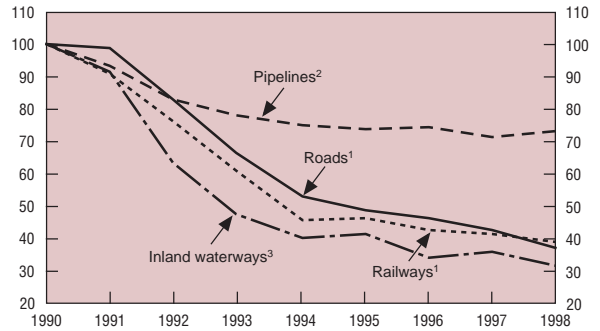
Despite an undeniable improvement in the situation in 1998, it remains a fact that the number of road accident deaths in the CEECs has risen by nearly 30% since the period (1986-1987) immediately prior to the economic and political upheavals in the region. This worrying trend, which is one of the underlying features of the transition process, even if it merely reflects the fact that buying a car is increasingly within the reach of consumers, will surely prompt the authorities to step up their efforts to improve road safety. This would seem to be particularly important in some countries where road accident prevention policies are still far too rudimentary and where levels of car ownership can be expected to grow strongly over the next few years. The volatility of recent results in the road safety area in the countries in transition shows the extent to which the progress is fragile. The rising incidence of road accidents observed recently in, for example, the Baltic States and the recent worsening of the situation in the CIS countries, where the growth of car use is still in an early stage, highlight the importance of not easing up on road safety measures.

**FREIGHT TRANSPORT TRENDS  
IN EASTERN EUROPE AND THE BALTIC STATES**  
(tonne-kilometres)  
1970 = 100



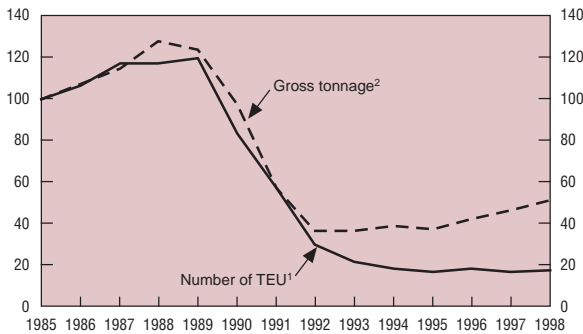
1. 14 countries: AL, BG, BIH, CZ, EST, H, HR, LT, LV, MK, PL, RO, SK, SLO.
2. 10 countries: BG, CZ, EST, H, HR, LT, LV, PL, RO, SK.
3. 8 countries: BG, CZ, H, HR, LT, LV, PL, RO.

**FREIGHT TRANSPORT TRENDS IN CIS COUNTRIES**  
(tonne-kilometres)  
1990 = 100



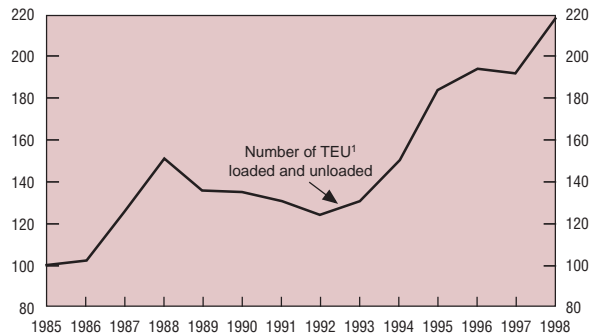
1. 5 countries: AZ, BY, GE, RUS, UA.
2. 2 countries: AZ, RUS.
3. 2 countries: BY, RUS.

**RAIL CONTAINER TRANSPORT IN EASTERN EUROPE  
AND THE BALTIC STATES**  
1985 = 100



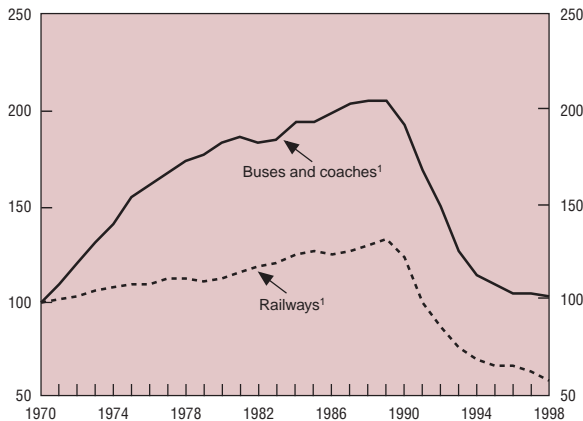
1. 10 countries: BG, CZ, EST, H, HR, LT, LV, RO, SK, SLO.
2. 11 countries: BG, CZ, EST, H, HR, LT, LV, PL, RO, SK, SLO.

**SEA CONTAINER TRANSPORT IN EASTERN EUROPE  
AND THE BALTIC STATES**  
1985 = 100



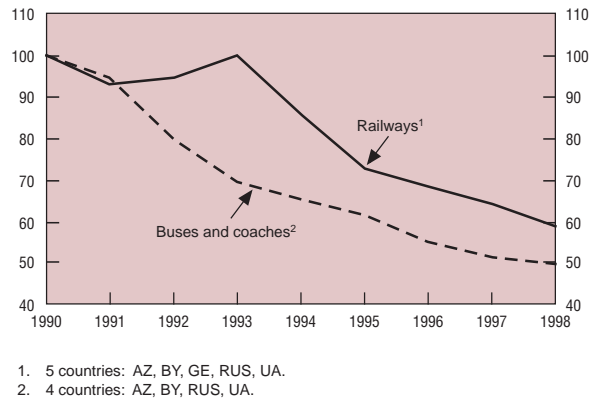
1. 6 countries: BG, HR, LT, PL, RO, SLO.

**PASSENGER TRANSPORT TRENDS  
IN EASTERN EUROPE AND THE BALTIC STATES**  
(passenger-kilometres)  
1970 = 100



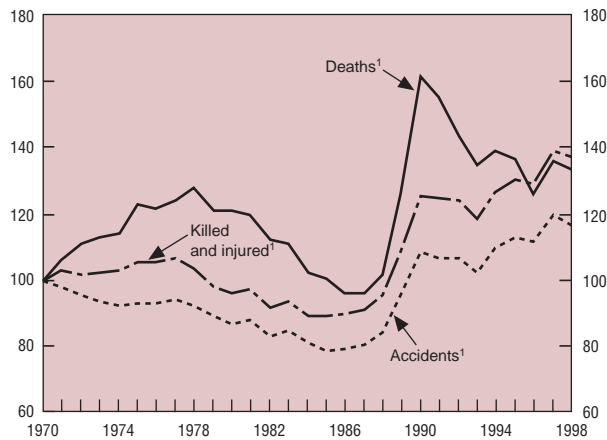
1. 14 countries: AL, BG, BIH, CZ, EST, H, HR, LT, LV, MK, PL, RO, SK, SLO.

**PASSENGER TRANSPORT TRENDS IN CIS COUNTRIES**  
(passenger-kilometres)  
1990 = 100



1. 5 countries: AZ, BY, GE, RUS, UA.  
2. 4 countries: AZ, BY, RUS, UA.

**ROAD SAFETY TRENDS  
IN EASTERN EUROPE AND THE BALTIC STATES**  
(number)  
1970 = 100



1. 11 countries: BG, CZ, EST, H, LT, LV, MK, PL, RO, SK, SLO.

*Part Three*

**RESOLUTIONS, DECISIONS, RECOMMENDATIONS AND REPORTS  
APPROVED BY THE COUNCIL OF MINISTERS OF TRANSPORT  
IN 1999**





**RESOLUTION No. 99/1 ON THE INTEGRATION  
OF EUROPEAN INLAND TRANSPORT MARKETS**

[CEMT/CM(99)2/FINAL]

The ECMT Council of Ministers of Transport, meeting in Warsaw on 19 and 20 May, 1999:

**HAVING REGARD** to Resolution No. 95/1 on “Access to the European Transport Markets” [CEMT/CM(95)1/FINAL] adopted on 7 and 8 June, 1995, in Vienna;

**TAKING NOTE** of the report [CEMT/CM(99)6] and its assessment of the progress made in implementing this Resolution;

**TAKING NOTE** also of the relevant reports on reducing obstacles at border crossings [CEMT/CM(99)7 and CEMT/CM(99)8/FINAL] and on legal harmonisation [CEMT/CM(99)5];

**RECOGNISING** that there remain obstacles to international transport and to the integration of markets in Europe;

**REITERATES** the need to continue to implement the provisions of previous Resolutions, including No. 95/1, and the Declaration adopted in Copenhagen on visa attribution for professional drivers [CEMT/CM(98)9/FINAL].

**RECOMMENDS:**

**In general**

- that work at international level to strengthen market integration and reduce obstacles to international transport continues for all modes;
- that further opening of markets is needed, and must be accompanied by a sufficient degree of harmonisation of environmental, financial, social and safety conditions;
- that, in order to improve understanding of developments, the statistical monitoring providing information on markets for operators and policy-makers be strengthened;
- that reviews of the barriers and problems facing the transport sector should be carried out regularly and, preferably at an individual country level.

### **For road freight transport**

- that supplementary increases in the multilateral quota need to be considered in the light of progress achieved in various fields, such as safety, environment and harmonisation of fiscal and social conditions;
- that work on social and fiscal harmonisation should be pursued rapidly in line with the mandates in documents [CEMT/CM(99)13/FINAL and CEMT/CM(99)14/FINAL];
- that, without calling into question the importance of bilateral agreements, consideration needs to begin on whether and how the multilateral framework for road transport can be further strengthened.

### **For rail transport**

- that governments should ensure, to the greatest possible extent, management freedom for rail operators and infrastructure managers so as to foster integration of rail markets;
- that Governments should encourage increased co-operation between rail operators and between infrastructure managers to support the improvement of international rail services.

### **For inland waterways**

- that the compatibility of the different regimes in Europe should be improved so that this means of transport can be fully developed and wider market access promoted.

### **For combined transport**

- that a broader approach which encompasses, inter alia, short sea shipping, be developed;
- that further investigation be made on how the barriers to the development of combined transport in CEE countries can be overcome, in particular as far as interoperability of systems is concerned.

**INSTRUCTS** the Committee of Deputies to initiate the necessary work to implement the provisions of this Resolution.

## **RESOLUTION No. 99/2 ON THE REMOVAL OF OBSTACLES AT BORDER CROSSINGS FOR INTERNATIONAL GOODS TRANSPORT**

[CEMT/CM(99)3/FINAL]

The ECMT Council of Ministers of Transport, meeting in Warsaw on 19 and 20 May, 1999:

### **HAVING REGARD to:**

- the Resolutions No. 50 of 1984 and No. 94/5 of 1994 on the removal of obstacles to international goods transport and to the follow-up reports [CEMT/CM(99)7 and 8/FINAL] on the implementation of these Resolutions;
- the relevant paragraphs of the Crete and Helsinki Declarations, in particular paragraph C.3 of the Crete Declaration, stating:

“The crossing of borders should be made progressively easier, until all unnecessary obstacles to transport have been removed”.

### **EMPHASISING:**

- that more effort is still needed to reduce waiting times at frontiers by all modes and resultant additional costs and inconvenience;
- that continued long delays at border crossings can result in drivers and their lorries and trains becoming targets for criminals and would-be clandestines.

**REAFFIRMING** that measures to facilitate border controls need to be taken for rail and inland waterways transport as well as for road transport, but that the problems and solutions are different in each case.

### **BEARING IN MIND:**

- the continuing rapid expansion of goods and passenger traffic between Western Europe and the emerging economies of Central and Eastern Europe and the resultant pressure on existing border crossings, particularly at the external frontier of the European Economic Area (EEA);
- the fundamental need to provide training for drivers which is geared to the requirements of international transport;

- the need for authorities to apply appropriate customs and immigration controls to prevent fraudulent cross-border activities and clandestine entry;
- the need for close co-operation between authorities and the business community, so that the needs and constraints of each side can be understood and dealt with efficiently.

**TAKES NOTE:**

- that significant progress has been achieved in abolishing frontier controls since the adoption of ECMT Resolution No. 94/5 through the completion of the EC Single Market and the establishment of the EEA;
- that substantial progress has been made by ECMT Member Countries in Central and Eastern Europe - both unilaterally and or in co-operation with neighbouring countries - in identifying and tackling border crossing difficulties;
- that the international funding framework now in place is sufficient to address the most important infrastructure constraints;
- that existing conventions governing international transport, including those developed by UN/ECE, already provide the framework within which to overcome present problems;
- that the rate of further progress will be dependent on the political will of the responsible Governments (e.g. establishment of joint customs clearance procedures);
- that despite efforts made since 1995, there are still many border crossings where delays remain the norm.

**DECIDES** to re-affirm the commitments made under the ECMT Resolution No. 94/5 on the removal of obstacles to international goods transport.

**RECOMMENDS:**

**In regard to railways:**

- that railways take prompt action to reduce delays in international freight services as far as is cost effective and in accordance with internationally agreed targets under the UN/ECE agreement on international combined transport (AGTC, where 30 minutes is foreseen as the maximum border stop) and UN/ECE Resolution 248 on the border stopping time of shuttle trains (which sets a maximum limit of 60 minutes);
- that efforts should be made to transfer, as far as possible, non-railway procedures (such as customs formalities) to origin and destination stations instead of borders;
- that where customs inspections remain at borders these should be done jointly by the authorities of the two countries concerned;

- that Governments increase the management independence of railway companies in regard to their international operations in the broadest sense so that decisions related to improving border crossing operations (e.g. rationalising marshalling operations, merging marshalling yards on either side of borders, purchasing multi-current locomotives, or dual gauge rolling stock, building track or transshipment stations, etc.) can be made on a commercial basis in an international market environment;
- that in the case of Governments that continue to exercise control in the management of railway operations, they should seek to eliminate shunting and marshalling as far as possible at all points en route (not only at borders);
- that all Governments consider possible roles for co-ordinating railways and providing support to railways in developing adequate integrated information technology systems for transmitting data between networks.

**In regard to road transport:**

*Competent authorities:*

- that where delays have been identified, Member States should declare a target reduction of existing waiting and processing times, to start with a 50% reduction of average time within 1 - 2 years, with the overall objective of a target of no more than 1 hour within 5 years. Targets should also be set for reducing peak waiting times. These targets should be widely/publicly disseminated to customers;
- that Member Countries should strengthen their efforts to further harmonise and simplify the procedures for checking vehicles and goods, either by multilateral or bilateral agreements, at border points;
- that all Member States should work towards simplification of the categories of taxes, fees and duties charged at border crossings and ensure transparency in their application, so as to provide an integrated border service;
- that Member States should establish clear functional divisions and co-ordination between the operatives representing the various authorities at border crossings so as to avoid duplication of checks and procedures and should limit the authorities present at borders to those concerned with customs and border controls. In this regard the appointment of a border manager could be considered;
- that Member States should be aware of the risks and take appropriate steps to avoid illegal practices at borders.

*Customs authorities:*

- that Customs procedures be further streamlined, including through a simplification of the documentation package for transit freight, for the majority of vehicles passing through border posts;

- that ECMT Member States which share a border should co-operate at a bilateral level with the aim of establishing jointly run border crossings, joint customs clearance, or the operation of juxtaposed controls;
- that, where they do not do so already, Member States should adopt risk-analysis and selectivity techniques (RAS) in order to ensure effective targeting of vehicles for detailed checking.

**In regard to combined transport:**

- that, as far as combined transport operations are concerned, and in conformity with decisions already taken, especially in Copenhagen [CEMT/CM(98)15/FINAL], provisions are taken for carrying out, as far as possible, customs and border control operations (including veterinary and phytosanitary controls) at the points of loading and unloading. This would speed up combined transport operations, achieve shorter delivery times and make reliable combined transport schedules possible.

**Generally:**

*Authorities responsible for funding:*

- that international infrastructure investment should be linked to implementation of procedural reforms and waiting time targets;

*Ministers of Transport:*

- that Ministers of Transport of ECMT Member Countries exercise as much influence as possible, in co-operation with their relevant Ministerial colleagues, to take forward these recommendations as a matter of urgency, with a view to achieving the removal of all unnecessary obstacles to transport on priority corridors by the year 2005.

**INSTRUCTS:**

- the Committee of Deputies to monitor the implementation of this Resolution and to report to the Council by 2003;
- The ECMT Secretariat to disseminate this Resolution widely and in particular to all Authorities directly concerned.

## **RESOLUTION No. 99/3 ON CRIME IN TRANSPORT**

[CEMT/CM(99)4/FINAL]

The ECMT Council of Ministers of Transport, meeting in Warsaw on 19 and 20 May, 1999:

**NOTING** the report [CEMT/CM(99)11], reviewing progress since the adoption of the comprehensive Resolution (Resolution No. 97/2) in Berlin in 1997.

### **NOTING ALSO THE PROGRESS MADE:**

- to better understand the nature and extent of transport related crime;
- to improve information flows between the various bodies implicated in the fight against crime;
- to draw up a treaty concerning a European Vehicle and Driving Licence Information System (EUCARIS);
- to inform hauliers of the risks and to give them advice on inter alia safe parking places through, the publication of the joint IRU/ECMT booklet;
- to reform the transit systems within the context of the UN/ECE (in WP30) and the EU (Action Plan, including the New Computerised Transit System);
- by the haulage profession (through their national associations) and the IRU, notably through the development of the SAFETIR system.

### **CONCERNED:**

- that crime is taking on new forms and using all modes;
- that data on the subject are still unreliable, making assessments of the extent and nature of crime difficult, as well as making international comparisons unreliable;
- that illegal immigration has become a new problem.

**REITERATE** the importance of continuing actively to implement the provisions of Resolution No. 97/2 adopted in Berlin.



## **IN ADDITION:**

### ***In relation to the Theft of Goods:***

## **RECOMMENDS:**

### **In general**

- that further work to obtain and make available comparable information on transport crime (including harmonised definitions and concepts) should be undertaken;
- the examination of how anti-theft devices and communication systems which allow vehicles and wagons to be tracked can be brought quickly onto the market;
- that Member countries identify high-risk locations and situations, so that surveillance and checks can be targeted.

### **In relation to road transport**

- that countries should consider joining the European Vehicle and Driving Licence Information system, known as 'EUCARIS';
- that ECMT and IRU should update the handbook on parking provisions, improving it where possible by the addition of information on the levels of security and services available.

### ***In relation to Fraud in the Transit Systems:***

## **URGES:**

- UN/ECE, in particular WP30, to complete stage two of the reform of the TIR convention as rapidly as possible;
- the European Community and the national customs administrations concerned, to complete in the short term the current reform process of the Community and common transit systems and to allocate the necessary resources for their computerisation and proper functioning;
- Customs authorities to give full attention to the possibility of shortening significantly the notification period for non-discharged operations;
- national associations, in collaboration with competent authorities, to seek solutions to the problem of the outstanding debts.

### ***In relation to Illegal Immigrants:***

## **REQUESTS:**

- national authorities, where appropriate, to draw up regulations on the conduct of investigations;

- shippers and hauliers to do everything possible to ensure that their vehicles are secure when being loaded or while parked.

**REQUESTS THE COMMITTEE OF DEPUTIES:**

- to set up appropriate methods and structures so that ECMT can contribute to the fight against crime through focussed actions on the particular issues identified above;
- to report back again on the progress in implementing these recommendations and those in Resolution No. 97/2 and on any further actions that need to be taken.

## **RESOLUTION NO. 99/4 ON COMMUNICATION IN ROAD SAFETY**

[CEMT/CM(99)16/FINAL]

The ECMT Council of Ministers of Transport, meeting in Warsaw, on 19 and 20 May 1999:

**NOTES** the publication of the proceedings of the International Seminar on Communication in Road Safety, held in Poland in 1997;

**CONSIDERS** that the use of roads and citizens' desire to travel constitute not only a right to mobility, but above all a right to responsible and safe mobility;

**CONSIDERS**, therefore, that communication in road safety is an indispensable tool for ensuring this mobility, in particular under the best possible safety conditions;

**AWARE** of the fact that the vast majority of traffic accidents are caused by shortcomings in behaviour of road users;

**OBSERVES** that as road accidents increasingly become a fact of daily life, communication may get neglected;

**REITERATES** certain elements of previous ECMT reports and Resolutions that are particularly relevant in this context:

- Concerning ways of influencing human behaviour with a view to improving road safety [Resolution No. 48 - CM(86)16]
  - to exchange experience at the international level on campaigns conducted and initiatives taken, in particular regarding the media used,
  - to strengthen co-operation and the exchange of information on the evaluation of effectiveness,
  - to set national objectives while at the same time promoting variants adapted to the regional and local levels,
- Concerning advertising that conflicts with road safety aims [Resolution No. 56 - CM(89)37]
  - Any improvement in human behaviour first calls for better quality advertising which does not prompt drivers to adopt behaviour that is aggressive, violent or to the detriment of other road users but which, on the contrary, attaches greater importance to forms of behaviour conducive to safety on the roads;

**CONSIDERS**, accordingly, pursuant to Resolution No. 55 [CM(89)17], that it is advisable to strengthen international co-operation in this connection within the ECMT, not only by means of an ongoing exchange of information to enable Member countries to make the most of their

respective experience but also, depending on the nature of the matters concerned, with a view to reaching joint decisions in the Council of Ministers;

**NOTES** that communication, although it makes it possible to improve road safety, is not the only way of influencing road users, and should not be used in isolation, but always in conjunction with the other means being implemented;

**EMPHASISES** that there should be a systematic attempt to raise public awareness of the problem of road accidents and that it is necessary to encourage the press, radio and television to make each individual more aware of the problem and conscious of his responsibility for safe behaviour;

**ENCOURAGES** all initiatives in this regard;

**RECOMMENDS that:**

- communication be adapted to the target group, and be based on marketing principles, in particular by using the principle of value added, i.e. ensuring that the communication achieves the expected result as fully as possible;
  - the chances of success be increased significantly by:
    - setting operational objectives,
    - encouraging existing positive attitudes and models of behaviour,
- aiming to ensure that the message intended for each target group personally reaches each individual in the group;
- communication be considered as a tool to be used on an ongoing basis, the lasting effects of which will only be felt in the long term;
- an evaluation of the results be carried out after each awareness-raising campaign and initiative in order continuously to improve the quality of such campaigns and initiatives and their impact;
- all road safety measures, whether legal, technical, psychological and above all educational, be reinforced by means of a systematic communication effort;
- the communication effort be also included systematically in medium and long-term road safety policies;
- exchanges of experience between ECMT Member countries be pursued with a view to promoting close contacts between the officials responsible for communication and to raising the awareness of the “road users” target group;

**INSTRUCTS** the Committee of Deputies to monitor the application of the measures recommended in this Resolution.

## COVER NOTE

[CEMT/CM(99)16/FINAL]

A Seminar on Communication in Road Safety was held on 2 and 3 October 1997 in Jozefow, near Warsaw, at the invitation of the Polish authorities. For the first time, an ECMT event devoted to road safety was held in one of the Conference's most recent Member countries. For the Polish authorities, road safety trends are a matter of particular concern because of the growing use of private cars.

Cars = accidents: to change this equation that all too often seems inevitable, it is necessary to combine the various means available. And the fact is that of all the factors that contribute to accidents, human behaviour is by far the most important.

Communicating in the field of road safety is an integral part of the authorities' overall efforts to improve road safety. Communication is not limited only to providing information about the authorities' action, but is an indispensable tool for raising awareness of a societal problem in which all citizens must become involved on an ongoing basis and take responsibility for it.

To communicate is to inform and convince. The measures introduced can only be effective if they are widely accepted by the public. There is more than one possible approach and all new communication technologies should be taken into account.

Communication in road safety, like communication in any other field, is now often entrusted to professionals in order to ensure that it is as effective as possible. But this approach raises the problem of cost, since the authorities cannot always afford it.

The seminar provided an opportunity to review the different communication scenarios in ECMT countries and to have a very useful exchange on the different experiences. Moreover, it also allowed attention to be focussed on the objectives, on the detailed strategies and the methods used for communication. Communication is essential but is only one element of road safety policy and can only work when it is integrated in a general strategy which takes account not only of the messages diffused by traditional mass media, but also of new methods of telecommunication involving the road transport environment and surveillance techniques.

Communication requires repeated and long term efforts, and quite often produces tangible results only in the longer term. Moreover, even if accident patterns in different countries show common characteristics, it is clear that the number and seriousness of accidents vary widely between countries as a function of mobility needs, motorization rates, lifestyles and very different social contexts.

The fact that communication is becoming global and that messages appearing in the press or broadcast on radio and television can now be received almost everywhere should however be borne in mind. It might be advisable, depending on the themes selected, national culture and the goals to be achieved, to have the possibility to exchange on information, measures to raise awareness, and policy guidance, at the national and even international level.

Nevertheless, even if the strategies and general principles and the communication itself are similar, the means and methods used must be adapted to the regional or national characteristics. While exchange of experiences and of good practice are very useful, it is essential to take account of the special characteristics of each country.

**RESOLUTION No. 99/5 ON VULNERABLE ROAD USERS:  
MOPED RIDERS AND MOTORCYCLISTS**

[CEMT/CM(99)17/FINAL]

The ECMT Council of Ministers of Transport, meeting in Warsaw on 19 and 20 May 1999:

**HAVING REGARD TO** the report on the safety of moped riders and motorcyclists [CEMT/CM(99)19];

**AWARE** of the vulnerability of moped riders and motorcyclists, particularly due to their lack of external protection and their reduced visibility for other road users;

**AWARE** also of a potential deterioration in the safety of two-wheeled motorised vehicle users due to the general increase of traffic, in particular in urban areas;

**RECALLING** the previous Resolutions adopted by ECMT on Road Safety Problems concerning two wheeled vehicles (Resolution No. 31 of 1974) and on the Safety of Users of two-wheeled motor vehicles (Resolution No. 42 of 1980);

**NOTING:**

- the diverse types of two-wheeled motorised vehicles,
- the wide range in types of use,
- the improvement in their technical capacities, concerning safety as well as performance;

**TAKING INTO ACCOUNT** work undertaken within other international organisations dealing with this subject, whether they represent users, manufacturers or institutions;

**DETERMINED** to take all the necessary measures to increase the safety of moped riders and motorcyclists, and to favour a convivial behaviour of all road users, as stated in Berlin, when adopting the draft Resolution on cyclists [CEMT/CM(97)11];

**RECOMMENDS:**

- *In a general framework* with a view to getting a better picture of the problem on a statistical basis,

- to introduce a more homogeneous classification of the vehicles concerned,
  - to then improve the collection of data relating to the number of vehicles and types of accidents concerned.
- *As far as vehicles are concerned,*
- to set up classification criteria clear and concise enough to easily identify each vehicle available on the market as belonging to one of the two categories under consideration – moped or motorcycle,
  - to prevent any possibility of alteration, in line with the decisions taken within the European Union, so that, at the end of the decade, the fleet of two-wheeled motorised vehicles, for all ECMT Member countries, will be in conformity with the established classification,
  - to take better account, as far as construction of cars and heavy vehicles is concerned, of problems of collisions with two-wheeled motorised vehicles,
  - to support research aimed at ensuring a safer use of these vehicles,
  - to study whether it would be useful to create, as exists for other motor vehicles, a compulsory technical check of the vehicles concerned.
- *As far as infrastructure is concerned,*
- to draw particular attention to mixed traffic involving moped riders and cyclists on cycle tracks and to moderate moped riders presence depending on the quality of the infrastructure and the speed of the mopeds concerned,
  - to ensure, in general traffic, the stability of motorised two-wheeled vehicles,
    - \* by a good quality of the pavement and the road markings, and
    - \* by being particularly aware of dangers which might occur from vertical structures on the sides of the road when mopeds and motorcycles are slowing down or changing direction, and
  - for motorcyclists, on fast roads,
    - \* on one hand, to forbid ruts and repair the carriageway with a view to avoid grooves, and
    - \* on the other hand, to set up separators which will less endanger motorcyclists and their passengers.
- *As far as training is concerned,*
- to improve the quality of existing training in Member countries through an exchange of information on best practices,
  - to make this driving training available for teenagers as early as possible, through a regulated instruction on moped driving,
  - to extend to all Member countries the progressive access to motorcycle driving, depending on their power, with a view of a safer behaviour of their driver,



- to implement a practical examination, in addition to the theoretical one already existing, prior to any motorcycle licence;
- *As far as road users are concerned,*
  - to make them permanently aware of the difficulties two-wheeled vehicles have to be seen by other users,
  - to encourage them to be safer and better seen through the use of appropriate clothing and the compulsory use of daytime running lights,
  - to encourage them to be safer also through regular and correct maintenance of their vehicle,
  - to ensure that motorised two-wheeled vehicles<sup>1</sup> drivers and passengers, properly wear a standardised helmet,
  - to ensure also that other road users are not endangered by motorised two-wheeled vehicle users by making them respect traffic rules and in particular their place on the road;

**INSTRUCTS** the Committee of Deputies

- to diffuse these recommendations to all those able to implement them,
- to follow a development of the situation of those road users categories and report back to the Council in due time.

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1. In Belgium and in the Netherlands, for those over 25 km/h speed limit only.

## **RESOLUTION No. 99/6 ON PHASING OUT LEAD IN PETROL**

[CEMT/CM(99)25/FINAL]

The ECMT Council of Ministers of Transport, meeting in Warsaw on 18 and 19 May 1999:

### **AWARE**

- that emissions of lead from the use of leaded petrol damage human health;
- that catalytic converters, required for emissions control on almost all new gasoline cars sold in ECMT Member countries, are irrevocably damaged if the car on which they are fitted is fuelled with leaded petrol.

### **RECALLING:**

- Resolution No. 88/64 on the More Rapid Introduction of Unleaded Petrol in Europe;
- Resolution No. 89/66 on Transport and the Environment;
- the UN/ECE Declaration on the Phase-out of Added Lead in Petrol agreed by 29<sup>2</sup> ECMT Member Countries at the Fourth Ministerial Conference “Environment for Europe” held in Århus in June 1998;
- the Resolution of the OECD Council [C(96)42/FINAL] Concerning the Declaration on Risk Reduction for Lead adopted by Member countries at an Environment Policy Committee meeting at Ministerial level in February 1996;
- the UN/ECE Vienna Declaration on Transport and the Environment, 1997 (Chapter II.7);
- EU Directive 98/70/EC on the quality of petrol and diesel.

### **REITERATES THE RECOMMENDATION**

- that where they have not already done so, Governments should encourage the more rapid and widespread introduction of unleaded fuel by measures including the use of fiscal incentives and information campaigns.

### **AGREES:**

- that the use of leaded petrol be phased out as rapidly as possible;
- that to achieve this, all ECMT Member countries should set target dates for ending sales of leaded petrol for general use by motor vehicles.

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2. As of February 1999 two more countries, Poland and Ukraine, had also declared a wish to be associated with the Declaration.

**RECOMMENDS FURTHER:**

- that in no case should leaded petrol be allowed to be priced lower than unleaded petrol;
- that no increase in toxicity of fuel should be tolerated in unleaded fuel when compared to leaded petrol except, where unavoidable, during a short transitional period;
- that no ferro-organic or heavy metal additive should be substituted for lead in petrol;
- that information campaigns should include guidance on the composition and use of fuel additives required for older engines to run on unleaded petrol.

## COVER NOTE

[CEMT/CM(99)25/FINAL]

A global consensus has emerged that the use of leaded gasoline should be phased-out, both to reduce public health risks, especially to children, and to allow the widespread use of catalytic converters to reduce CO, HC and NOX emissions from vehicles. As a result, approximately 80% of all gasoline sold in the world is now unleaded.

In phasing out the use of leaded fuel, many different policy tools have been used. It has now been conclusively demonstrated in a variety of countries, that taxation policies which assure that unleaded gasoline is cheaper than leaded gasoline can be very effective in accelerating the rapid introduction of unleaded fuel as well as minimising the deliberate use of leaded gasoline in catalyst equipped cars. In no case should leaded gasoline be allowed to be priced lower than unleaded if rapid progress is desired.

Once a decision is made by a country to phase out the use of leaded gasoline, a target date for its elimination should also be decided.

The schedule for completely phasing lead out of gasoline has to be based on a careful balancing of several important questions - the need to reduce the direct health risks from exposure to lead emissions, the need to protect catalytic converters and the speed with which any necessary refinery modifications can be carried out. While each country has to weigh these factors carefully, considering its own specific circumstances, the global tendency has been for countries phasing out lead to move more quickly rather than slowly.

While a very important step, the elimination of lead is not the only important element in a comprehensive fuels strategy. First of all, no increase in the toxicity of the fuel should be tolerated when shifting from leaded to unleaded petrol. If the aromatic hydrocarbon and benzene content of petrol increases due to the greater use of high octane, high aromatic gasoline blending components, this should be a short term, transitory phase which is eliminated as quickly as feasible. Other fuel improvements such as lowering volatility and sulphur levels should also be considered.

These findings are the result of a broad body of work undertaken by international government institutions and summarised in a report produced for the OECD Working Party on Risk Management in collaboration with UNEP [ENV/JM/RM/RD(98)3]. They were approved by the Council of Transport Ministers.



**RECOMMENDATIONS AND DECISIONS APPROVED BY THE COUNCIL OF  
MINISTERS OF TRANSPORT IN 1999**



## **RECOMMENDATIONS ON THE PAN-EUROPEAN PROCESS OF LEGAL HARMONISATION AND ADJUSTMENT OF TRANSPORT SYSTEMS**

[CEMT/CM(99)1/FINAL]

The ECMT Council of Ministers of Transport, meeting in Warsaw on 19 and 20 May 1999:

### **RECOGNISING**

- the changing context for European transport resulting from the expansion of ECMT's membership and the prospect of further enlargement of the EU;

### **NOTING**

- the ECMT's valuable role in contributing to policy convergence and in particular its role in providing political support for harmonisation and approximation of transport legislation in Europe;

### **EXPRESSING**

- political support for the process of harmonisation of transport legislation and adjustment of transport systems in Europe;

### **SUPPORTING**

- the efforts of the ECMT new Member countries in approximation of their transport legislation with the international standards and in particular with those of UN/ECE and EU;

### **RECOMMENDS:**

- continued close co-operation between ECMT, EU and UN/ECE to exchange information on proposed changes in transport legislation;
- that ECMT Member countries, in introducing new legislation, take into account its consistency with existing EU and UN/ECE legal instruments and ECMT Resolutions;
- that ECMT regularly reviews progress on legal harmonisation and adjustment of transport systems in ECMT new Member countries;

### **INSTRUCTS**

- the Committee of Deputies to monitor the implementation of the provisions of this Recommendation.





**DECISIONS APPROVED  
BY THE COUNCIL OF MINISTERS OF TRANSPORT IN 1999**



## **DECISION CONCERNING THE DEVELOPMENT OF THE MULTILATERAL QUOTA**

[CEMT/CM(99)12]

The ECMT multilateral quota was introduced on 1 January 1974 after a trial period of three years and it was seen by the Council of Ministers as the first practical step towards the gradual liberalisation of road freight transport in conjunction with the harmonisation of the terms of competition both between road hauliers from different countries and between modes of transport. The methodology to allocate licences (basic quota) among Member countries has always been based on the volume of their goods traffic in billions of t-km and their percentage contribution to the ECMT budget.

The licences issued under the system entitle their holders to engage in the international carriage of goods by road for hire or reward, using a single vehicle or coupled combination of vehicles. The points of loading and unloading are located on the territories of different Member countries. The licences also allow transit operations and empty runs on the territory of Member countries which require a licence for such journeys.

It must be pointed out that the multilateral quota, which seeks to promote the liberalisation of road transport, has regularly encountered opposition from certain countries which have been against substantial increases in the quota for various reasons (protection of the railways, peripheral countries that do not consider they receive enough licences, or countries showing an increase in the volume of road transit traffic). The successive increases have therefore had to be modest in size.

The system gave nevertheless professional operators greater scope for action in that it broke with the earlier rigid system, based on bilateral agreements, which had traditionally prevailed in Europe. Since 1993, it has developed by taking into account technical solutions to increase safety and combat the environmental damage caused by road vehicles (“green” and “greener and safe” licences).

As at 1<sup>st</sup> January 1999, nearly 15 000 licences have been distributed to the 38 countries participating in the system. Although they account for a minor part of total international freight haulage, they nevertheless represent an important and practical element of integration of Central and Eastern European countries.

### **1. Development of the quota**

A majority of ECMT Member countries expressed their wish for an increase in the multilateral quota. There are several possibilities to achieve this increase:

-- *the Euro 3 standards*

These standards have not yet been agreed at international level but the Council might, once agreed upon, wish to propose a step forward, from a supplementary increase of 30% of the present quota – corresponding to the expected reduction in pollution – to a conversion from 1 to 6, even 1 to 8

of the basic quota, it being understood that at present, “green” lorry licences are given in a proportion of 2 to 1, and “greener and safe” lorry licences in a proportion of 4 to 1.

*Austria already stated that in any case it will not support a conversion rate of 1 to 8 because of its understanding that the increase in the quota linked with Euro3 standards must correspond to the reduction of emissions achieved with these standards compared with Euro2 standards.*

-- ***“reward” the countries which have been adapting their vehicle fleet in international transport to high environmental and safety standards***

A country having converted its entire basic quota into greener and safe licences might, for instance, get an additional 20% bonus of its basic quota; a country, which had converted its entire basic quota into green licences, could obtain a lower additional bonus (10%). A country, which has exchanged its entire basic quota into green and greener and safe licences, could get a bonus between these two figures, depending on their rate of exchange in each category.

A majority of countries agreed to pursue the work in this direction and to make a proposal to be discussed by the Council of Ministers in Warsaw. It should be noted that, of the 36 countries participating in the system for 1999, 6 have already converted their entire basic quota to a greener and safe quota and 2 more have converted their whole quota into green licences.

*During the Committee of Deputies meeting in April, the Austrian and Greek Delegations indicated they would not accept a bonus on their territory (i.e. a supplementary quota) for exclusive use of green and/or greener and safe lorries because they believe that such a bonus is already included in the present conversion rate for green and greener and safe lorries.*

***Ministers are asked:***

- |   |
|---|
| <ul style="list-style-type: none"><li>– <i>to confirm that the quota should take into account, in the future and in the most appropriate manner, Euro3 standards, once they have been explicitly defined;</i></li><li>– <i>to agree with this “bonus proposal” to be implemented on 1 January 2000.</i></li></ul> |
|---|

## **2. Simplification of the quota and change in the basic quota**

There have been several requests to simplify the quota system. Proposals concerning the possible simplification of the quota are affected by the following difficulties:

- On the one hand, countries, which have entered reservations, namely Austria, Greece and Italy, make the system more complex.

Italy alone modified its position by allowing on its territory a number of licences multiplied by 2 if used by green lorries or multiplied by 4 if used by greener and safe lorries. Italy has also mentioned it might completely withdraw its reservation during 1999.

<i>Representatives of the countries with reservations are kindly requested, during the Council of Ministers in Warsaw, to explain clearly their position.</i>
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- On the other hand, a correct evaluation of the effective use of the quota is quite difficult, as data are still being collected: by 1st February 1998 for instance, only 10 countries out of 34 had given statistics for the first half of 1997.

Taking into account these elements, the wish of some Member countries to substantially increase the quota allocated to them, and the political nature of any decision concerning the criteria on which the system is based, it would probably be difficult to build the system on new basic criteria.

When trying to establish the quota of ECMT licences to be allocated as a “basic” quota to the most recent newcomers to the system, the fact of applying the “most favoured nation clause” to them constituted a real advantage for some countries.

This is perfectly understandable if one considers the quota as a practical means for the integration of Central and Eastern European countries to the market economy, and as an instrument for easier access for these countries to Western European markets.

Developing the idea of the most favoured nation clause allows a new key to be proposed for the distribution of the quota: according to the most recent data, in particular those of the Finance Directorate of OECD referring to each country’s contribution to the ECMT budget, Bulgaria’s position may, for instance, be compared to Denmark, Hungary, Norway, Portugal and the Czech Republic. Adjusting the position of Bulgaria only, following the most favoured nation clause, means giving this country the same number of licences as Norway but, in this case, Hungary and the Czech Republic, also “new” Member countries, are at a disadvantage. If we continue with this procedure and adjust again, what will then be the position of Western European countries?

Taking into account the principle already mentioned above, namely that the quota is first a practical means for the integration of Central and Eastern European countries, without neglecting the necessity to re-balance the position of some Western countries due to these new data, a global adjustment for all ECMT Member countries is therefore possible on a case by case application of the clause. Let us take arbitrarily the example to reduce the existing number of categories -- 10 at present [see Column 7 of the Table reproduced page 3 in document CEMT/CM(99)22], except for countries with reservations -- to 7. Leaving Austria, Italy and Greece aside, due to their reservations, a new distribution could be obtained, as reproduced in the Table on the following page.

*During the Committee of Deputies meeting in April, the German representative pointed out that his country will oppose an increase in the basic quota and said that this reduction in the number of categories represented de facto an increase in the basic quota and not a simplification.*

*Against this, it can be argued that the reduction in categories rebalances the quota in favour of Eastern and Central European countries, and at the same time corrects inconsistencies for some older Member countries. To adopt this new classification highlights the role of the quota as an instrument of integration for the new Member countries.*

*The delegates of France and Greece have also entered a reservation on this proposal.*

*If the representatives of Germany, France and Greece can withdraw the reservations expressed during the last Committee of Deputies, **Ministers will then be asked:***

*-- to agree with the proposal to reduce the number of categories to 7 from 1 January 2000;*

*In any case, **Ministers are asked:***

*-- to indicate the direction in which future work should go to allow the quota play an effective role for the integration of Central and Eastern European countries.*

	<b>Basis at 1.1.99 “traditional” licences</b>	<b>Countries ranking according to the two “basic” criteria*</b>	<b>Adjustment **</b>	<b>New possible basis</b>
Germany	342	1	1	342
<i>Austria</i>	<i>16</i>	15.5	-	-
Belarus	141	24	7_6	149
Belgium	171	9	4_3	234
Bosnia-Herzegovina	120	32	10_7	128
Bulgaria	141	20	7_5	153
Croatia	128	30	9_7	128
Denmark	141	16.5	7_6	149
F.Y.R.O.M.	128	28	9_7	128
Spain	149	4	6_3	234
Estonia	128	27	9_7	128
Finland	149	14	6_5	171
France	288	3	2	288
Georgia	120	31	10_7	128
<i>Greece</i>	<i>149</i>	17	-	-
Hungary	141	18	7_6	149
Ireland	141	21.5	7_6	149
<i>Italy</i>	<i>67</i>	2.5	-	-
Latvia	128	26.5	9_7	128
Lithuania	128	25.5	9_7	128
Luxembourg	120	28.5	10_7	128
Moldova	128	30.5	9_7	128
Norway	149	15.5	6	149
Netherlands	234	9	3	234
Poland	153	13	5_4	171
Portugal	141	17.5	7_6	149
Czech Republic	141	15	6_5	153
Slovak Republic	128	25.5	9_7	128
Romania	141	22.5	7_6	149
United Kingdom	149	4.5	6_3	234
Russian Federation	234	7	3	234
Slovenia	128	26.5	9_7	128
Sweden	153	10.5	5	153
Switzerland	135	11.5	8_5	153
Turkey	141	10.5	7_5	153
Ukraine	128	29.5	9_7	128

\* One of them is goods traffic in billions of t-km (source: ECMT leaflet 1997); the other is the percentage contribution to the ECMT budget (hypothesis drawn up by OECD for July 1998 exercise).

\*\* This adjustment takes into account the present ranking as stated in column 7 of the Table reproduced in document CEMT/CM(99)22 and applies the most favoured nation clause to obtain 7 categories.

#### 4. Short term licences

Some Delegations have asked, on various occasions, for the opportunity to use short-term licences for green and greener and safe lorries. These short-term licences are valid for one month and are coloured yellow. The most recent text approved by Ministers on short-term licences is dated 1985.

Since 1990, the multilateral quota has been developing for different categories of vehicles. In order not to complicate a system already quite complex per se, it was, until now, agreed not to include short term licences in this development mainly due to the facts that the introduction of “green lorries” was the only way of increasing the quota *for, and valid in*, Austria and also that Austria still has a general reservation on the use of short term licences.

The short-term licences system seems to have gradually become less useful: 7 countries out of 19 in 1989; 9 countries out of 39 in 1999.

Nevertheless, some countries would like to use short term licences in the same way as their annual licences, i.e. with the same possibilities of conversion (x 2 for green lorries, x 4 for greener and safe lorries). These licences seem to be very suitable for the needs of small hauliers which, otherwise, cannot use annual multilateral licences.

This is technically feasible, without creating any major problem, by using the same stamps and certificates for annual licences (green coloured) and for short-term licences (yellow coloured). The first difficulty lies in the number of licences to be printed (12 x 2 = 24 times more to be used for green lorries, 12 x 4 = 48 times more for greener and safe lorries); a second difficulty would be the extra administration in doing so.

Take the case of the Netherlands. If they wish to use fully the “new formula”, they could obtain: Basic quota = 234 (of which 20% maximum would be converted into short term licences = 46 to be used by greener and safe lorries = 46 x 4 x 12 = 2208 yellow licences + 46 x 12 = 552 yellow licences as a reserve i.e. 2760 yellow licences to be printed, completed and stamped.

Furthermore, whilst wishing to simplify the whole system, to convert to short term licences results in 6 categories of ECMT licences: the traditional green, the traditional yellow, the “green” green, the “green” yellow, the “greener and safe” green, the “greener and safe” yellow.

However, some Delegations reaffirmed their interest in such a conversion.

***Ministers are therefore asked to agree on this conversion proposal, as long as the total amount converted does not exceed 20% of the basic quota allocated.***

#### 5. Administrative procedures

*During the Committee of Deputies meeting last April, it was decided to deliver all the licences to each Member country by 15 November. For this to be feasible, however, countries will have to **inform the Secretariat of the options** they wish to exercise with regard to the distribution of their quota of conventional permits, green or greener and safe, **by the 15 September.***

*Starting 1 January 2000, the decision of Ministers concerning the conversion of short term licences would also bring forward the date, by which the countries must notify the Secretariat of their choice for the allocation in short term licences of their quota, to 15 September.*



**DECISION CONCERNING THE SPECIAL QUOTA FOR ALBANIA  
AND FYR MACEDONIA**

[CEMT/CM(99)33/FINAL]

Albania and FYR Macedonia, requested in the letters reproduced hereafter, that ECMT consider setting up a special quota on “humanitarian” grounds, in view of these countries economic and political circumstances.

No Delegation opposed the principle of a special quota for Bosnia-Herzegovina and Moldova in 1998, under the same reasons and on condition that it would be for a limited period of time, based on precise criteria and that such a special quota would be reconsidered every year.

***Ministers:***

- ***confirmed, following the procedure adopted in 1998, that Bosnia-Herzegovina and Moldova will continue to receive, as from 1<sup>st</sup> January 2000, a special quota, as in 1999 and for a supplementary year;***
- ***agreed in principle to grant a special quota to Albania and FYR Macedonia, on the same grounds as the one granted to Bosnia-Herzegovina and Moldova.***

***The Secretariat will do its utmost to implement the special quota for Albania and FYR Macedonia on 1<sup>st</sup> July 1999.***

Pro Mem., it is recalled:

1. Basic criteria for a “special” quota:
  - particularly serious economic situation due to natural catastrophes or war, together with
  - the impossibility, or great difficulty, of using other freight transport modes than road,
2. Amount of the “special” quota - proposal: 25 traditional licences (= 50 green = 100 greener and safe).
3. Period - proposal: maximum 3 years, to be reconsidered every year.  
This special quota will be available for Bosnia-Herzegovina and Moldova as of 1st July 1998.



REPUBLIC OF MACEDONIA  
MINISTRY OF TRANSPORT AND COMMUNICATIONS  
MINISTER

Skopje, May 4, 1999

Excellency,

Allow me first of all to express my satisfaction for the cordial relations between the Republic of Macedonia and the Republic of Poland. I am convinced that established mutual co-operation between our countries should advance in future in the spirit of our friendly relations and mutual endeavours for furthering bilateral co-operation particularly in the field of transport.

Confirming our confidence, and extending warm congratulations for the current presidency of the Republic of Poland with the European Conference of Ministers of Transport (ECMT), I avail myself of this opportunity to address formally your Excellency in your capacity as ECMT Chairman, and draw your attention to certain questions that we deem particularly important.

Within last few months, as a consequence of the current situation in our region, the Republic of Macedonia has been facing particularly serious economic situation, and has suffered particularly serious economical losses especially in the field of transport. Due to the present situation our country has great difficulty in using other freight transport modes than road, which has been additionally aggravated by the impossibility of using the routes trough FR Yugoslavia.

Excellency, I avail myself of this opportunity, on behalf of the Government of the Republic of Macedonia and on my own behalf, to forward herewith an official request of the Government of the Republic of Macedonia that a "special" quota, beyond the existing, is granted to the Republic of Macedonia on humanitarian grounds and for a limited period of time, in the view of the current economic and political circumstances, and taking into account the present difficulties in the transport relations of our country.

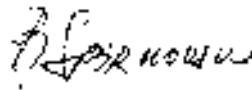
H.E. Mr. Tadeusz Syryjzuk  
Minister of Transport of the Republic of Poland  
ECMT Chairman

Having in mind that "special" quota has already been granted to countries in similar situation and the fact that the principle for granting such quota under particular circumstances has been accepted within the framework of ECMT we should, be very grateful if you can include this matter on the Agenda of the forthcoming Ministerial Meeting.

Convinced that a due consideration and support shall be given to our rightful request, I avail myself of this opportunity, Excellency, to renew the assurances of my highest consideration.

**MINISTER**

**Eobi Spirkovski**





REPUBLIC OF ALBANIA  
*MINISTRY OF TRANSPORT AND COMMUNICATIONS MINISTER*

Tirana, May 11 1999

**To: H.E. Mr. Tadeusz Syryjczyk**  
**Minister of Transport of the Republic of Poland**  
**ECMT Chairman**

**WARSAW**

Excellency,

Allow me first of all to express my satisfaction for the cordial relations between the Republic of Albania and the Republic of Poland. I am convinced that established mutual cooperation between our countries should advance in future in the spirit of our friendly relations and mutual endeavours for furthering bilateral cooperation particularly in the field of transport.

Confirming our confidence, and extending warm congratulations for the current presidency of the Republic of Poland with the European Conference of Ministers of Transport (ECMT), I avail myself of this opportunity to address formally your Excellency in your capacity as ECMT Chairman, and draw your attention to certain questions that we deem particularly important.

Within last few months as a consequence of the current situation in our region, the Republic of Albania has been facing particularly serious economic situation, and has suffered particularly serious economical losses especially in the field of transport. Due to the present situation our country has great difficulty in using other freight transport modes than road, which has been additionally aggravated by the impossibility of using the routes through different areas of our region.

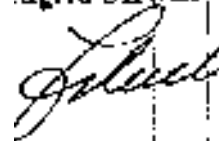
Excellency, I avail myself of this opportunity, on behalf of the Government of the Republic of Albania and on my own behalf, to forward herewith official request of the Movement of the Republic of Albania that a "special" quota beyond the existing is granted to Republic of Albania on a humanitarian grounds and for a limited period of time, in the view of the current economic and political circumstances, and taking into account the present difficulties in the transport relations of our country.

Having in mind that "special" quota has already been granted to countries in similar situation and the fact that the principle for granting such quota under particular circumstances has been accepted within the framework of ECMT we should be very grateful if you can include this matter on the Agenda of the forthcoming Ministerial Meeting.

Convince that a due consideration and support shall be given to our rightful request, I avail myself of this opportunity, Excellency, to renew the assurance of my highest consideration.

MINISTER

Ingrid SHULI



## **DECISION CONCERNING THE SOCIAL ASPECTS OF ROAD TRANSPORT: MANDATE AND GUIDELINES FOR FUTURE ACTION**

[CEMT/CM(99)13/FINAL]

Failure to respect a number of rules with regard to human physiology creates risks for road users. Among the factors involved in accidents, consideration must be given not only to the length of driving times or lack of adequate rest periods, but also to the length of the working day, the frequency of work at night, etc. The tendencies towards excess in these areas are to a very large extent attributable to the distinctive nature of the road transport sector. Despite this fact, the ins and outs of the question are so revealing that they merit more than a summary analysis! Consideration should also be given to drivers' working conditions, the professional training of drivers, inspections and regulations, as well as the impact of technological progress.

Furthermore, all the evidence shows that the liberalisation of the transport market and the elimination of the competitive distortions which undermine that liberalisation are closely related issues, and that any future increase in the ECMT quota will, in one way or another, be directly linked to closer harmonisation of the conditions of competition between hauliers from different Member countries.

The social aspects of road transport therefore cannot be limited solely to regulations regarding driving times and rest periods. It is necessary to rise above these considerations, which often end in an impasse, and attempt to grasp the problem in its entirety.

The variety of situations and regulations in Member countries ultimately requires harmonisation of the regulations relating to the driving and work times of drivers employed by firms and self-employed drivers. The road transport sector is seeking to strike a balance between safety, which calls for better organisation of work hours, and the flexibility needed to adapt to the economic cycle. The advent of just-in-time logistics organisation has increased the pressures on drivers to meet delivery schedules. At the same time, drivers have lost some of their freedom to take decisions as a result of the need to meet logistical imperatives. The emergence of new information technologies, on the other hand, is reversing this trend and may help to redefine the profession.

There are two challenges to be met with regard to professional training for drivers: efforts to enhance the professional skills associated with the job of driver must be stepped up; and safety needs to be improved.

These various considerations, which were discussed at the seminar on the social aspects of road transport organised by the ECMT in December 1998 in Paris, provide a basis for a general debate on the role of governments and the need for harmonisation at the international level of both social regulations and the verification of compliance with such regulations.

This is the basis for the Mandate presented to the Council of Ministers in Warsaw.

The ECMT Council of Ministers of Transport, meeting in Warsaw on 19 and 20 May 1999:

**NOTING** the publication of the proceedings of the Seminar on the social aspects of road transport, organised by the ECMT on 14 and 15 December 1998 in Paris;

**NOTING**, despite some harmonisation concerning driving and resting times, a wide variety of situations and regulatory provisions in ECMT Member countries with regard to social matters still remains;

**NOTING** that it became clearly apparent at the Seminar that it was necessary to secure convergence of social conditions in this sector;

**CONSIDERING** that it would now be appropriate at the level of the ECMT to establish minimal requirements which would actively promote improved working conditions with regard to road transport activities, prevent distortions in competition, improve road safety, safeguard the health of workers in the sector and, in general, improve the quality of transport services;

**CONSIDERING** that a review needed to be made of ways and means of meeting the above objectives, after due account has been taken of regulations either already in force or currently being amended under the aegis of both the European Union and the UN/ECE;

**INSTRUCTS THE COMMITTEE OF DEPUTIES TO:**

- examine the possibility of drawing up minimum standards, valid in all ECMT Member countries, with regard to the organisation of working hours in the road transport sector;
- ensure that the said standards are consistent with those already in force with regard to driving and rest times;
- establish the successive stages of wide-scale harmonisation of access to the profession;
- specify and determine the aims of inspections, with a view to introducing regulations and improving their effectiveness;
- design instruments that will make it possible to secure the effective implementation of decisions taken with regard to the road sector and as wide a dissemination possible of the practices required amongst the parties concerned by them;
- link in future, any development of the ECMT multilateral quota for international transport with the efforts undertaken in this area;
- report to the Council, in a year's time, on the progress made with the above tasks.

**DECISION CONCERNING FISCAL ASPECTS OF ROAD TRANSPORT:  
MANDATE AND GUIDELINES FOR FUTURE ACTION**

[CEMT/CM(99)14/FINAL]

The ECMT Council of Ministers of Transport, meeting in Warsaw on 19 and 20 May 1999:

**NOTING** the information reported in the document CEMT/CM(99)15

**AGREEING** that every ECMT Member state has the sovereign right to introduce and apply taxes and fiscal charges on international road haulage services

**CONSIDERING** that the introduction of such taxes and charges must, however, comply with the principle of non-discrimination between national and foreign road haulage operators

**CONSIDERING** that prohibitive fiscal charges should be avoided because of their effect on the efficiency of international transport

**CONVINCED** that, within a multilateral framework such as the ECMT, it is necessary to lessen, as much as possible, the impact of bilateral arrangements because the principle of reciprocity on which they are based may introduce discrimination between hauliers from different Member countries (the obligation to pay, or exemption from, charges is based on nationality)

**NOTING** that, against this background, the desirability of shifting the structure of taxation towards more territorial taxes and charges -- i.e. taxes that are not related to the place where the haulier is established or to the type of transport operation carried out -- should be studied

**REAFFIRMS** the principle of non-discrimination, and

**INSTRUCTS** the Committee of Deputies to examine how this principle can be applied to taxes and fiscal charges in international road haulage, based on either nationality or territoriality.



**CONCLUSIONS AND RECOMMENDATIONS  
ON PUBLIC-PRIVATE PARTNERSHIPS (PPPs) IN TRANSPORT  
INFRASTRUCTURE FINANCING**

[CEMT/CM(99)20/FINAL]

The ECMT Council of Ministers of Transport of ECMT, meeting in Warsaw on 19 and 20 May 1999:

**NOTE:**

- The contents of the report CEMT/CM(99)21/FINAL on Public-Private Partnerships in the Transport Sector;
- The growing number of examples of PPPs in different countries and for different modes of transport.

**SUPPORT** the following conclusions from the above report:

1. PPPs can take many forms from simple commercialisation to full privatisation but, in general, are long term agreements between the public and private sectors to provide and operate transport infrastructure and/or services. PPPs involve a sharing of responsibility and risk by the public and private partners;
2. PPPs have the potential to provide, through financial engineering and often but not necessarily by tolling, a valuable addition to traditional means of financing transport infrastructure and services;
3. PPPs can help provide public infrastructure and services in a more economically efficient way than public administration entities;
4. At present, however, PPPs meet only an extremely small share of transport investment needs, in ECMT countries;
5. Introducing PPPs requires a favourable macroeconomic climate and a regulatory framework that supports and encourages private sector involvement;
6. Introducing PPPs also require a political debate so that the political actors and the public accept the approach, especially when charging is involved;
7. There is a growing experience with PPPs in different countries with different legal structures and traditions and in a variety of transport modes;
8. PPPs have to be structured with great care at the start to make the project requirements, roles and responsibilities clear and to regulate conflicts of interest;

9. Contracts should cover all the major aspects of the PPP project but should allow some flexibility for innovation and economy, specifying performance requirements and not necessarily technical details.

**AGREE** that the following recommendations provide a framework in which to develop PPPs:

**1. Obtain political and popular support for using PPPs by:**

- preparing transport development strategies;
- initiating a debate on public infrastructure and service provision and financing;

**2. Involve the appropriate private sector actors early in the process and discuss the following options with them, especially in sharing of risks and responsibilities:**

- project design;
- ways of achieving low cost solutions;

**3. Ensure that the needed regulations and procedures are in place so that PPPs can work, including:**

- competitive procurement procedures, especially transparency and flexibility;
- provision of a stable and clear-cut legal and fiscal framework;
- regulation of potential conflicts of interest;
- possibilities for private sector involvement in tolling (if required);
- support of and appropriate training for government officials;

**4. Build on the experience gained in previous PPP projects in different countries and by IFIs;**

**5. Set up projects with clear ownership and management structures and division of responsibilities:**

- by negotiating with the private sector partners;
- by contracts which are clear and agreed;
- by an efficient and transparent allocation of risks and rewards;

**6. Undertake some trial/pilot projects and learn by doing;**

**7. Continue to exchange experiences on the results of PPPs, both the successes and the failures.**

**AGREE** to take account of these conclusions and recommendations in drawing up proposals for PPPs.

**ASK** the Committee of Deputies to facilitate a continuing exchange of experience on the subject and to report back in due course.

**DECISION CONCERNING THE MULTILATERAL QUOTA  
FOR NEW MEMBER COUNTRIES: CASES OF ALBANIA AND AZERBAIJAN**

[CEMT/CM(99)22/FINAL]

**QUOTA FOR NEW MEMBER COUNTRIES**

The Council of Ministers requested the Committee of Deputies to determine the quota New Member countries could be granted, according to various statistical data to be sent to the Secretariat and following the same criteria as those used in the past for the determination of multilateral quota licences.

**For Albania:**

Area: 20 000 km <sup>2</sup>	<b>1995</b>	<b>1996</b>	<b>1997</b>
Population (estimate in thousands)	3 249	3 283	3 324
GNP (million LEK)	229 793	280 998	347 176
Exchange rate (1US\$= at 31.12)	92.8	104.5	149
Road freight transport (by national hauliers) in million t-km	1 765	1 913	1 139

**For Azerbaijan:**

Area: 86 600 km <sup>2</sup>	<b>1995</b>	<b>1996</b>	<b>1997</b>
Population (estimate in thousands)	7 535	7 575	7 625
GDP (billion MANAT)	10 669	13 663	15 352
Exchange rate (1US\$= at 31.12.)	4 500	4 440	4 200
Road freight transport (by national hauliers) in million t-km	*	*	*

\* Since 1994, the total amount of long-distance goods transport is determined on a contract basis in the Republic of Azerbaijan.

With reference to the methodology used in previous documents [cf. CEMT/CM(97)19 and CEMT/CM(98)7/final], and according to other data available at OECD for similar years, we obtain the following classification:

- Column 1: country
- Column 2: goods traffic in billions of t-km (source: ECMT leaflet 1997 and submissions of new countries)
- Column 3: country ranking in descending order for the criterion in column 2
- Column 4: percentage contribution to the ECMT budget (hypothesis drawn up by OECD for July 1998 exercise)
- Column 5: country ranking in descending order for the criterion in the fourth column
- Column 6: average for the ranking of columns 3 and 5
- Column 7: ranking by basic quota as at 1st January 1999

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
Austria	9.77	20	2.31	11	15.5	-
Belarus	8.80	22	0.10	26	24	7
Belgium	44.98	9	2.86	9	9	4
Bosnia-Herzegovina	0.03	38	0.10	26	32	10
Bulgaria	14.11	14	0.10	26	20	7
Croatia	0.11	35	0.17	23	29	9
Czech Rep.	40.64	10	0.40	20	15	7
Denmark	9.71	21	1.71	12	16.5	7
Estonia	2.77	28	0.10	26	27	9
Finland	23.50	13	1.20	15	14	6
France	160.23	4	15.52	2	3	2
F.Y.R.O.M.	0.67	32	0.10	26	28	9
Georgia	0.08	37	0.10	26	31.5	10
Germany	245.66	1	24.58	1	1	1
Greece	12.74	17	1.00	17	17	-
Hungary	12.91	15	0.38	21	18	7
Ireland	5.26	24	0.57	19	21.5	7
Italy	207.22	2	11.80	3	2.5	-
Latvia	3.35	27	0.10	26	26.5	9
Lithuania	5.15	25	0.10	26	25.5	9
Luxembourg	0.43	34	0.19	23	28.5	10
Moldova	0.10	36	0.10	26	31	9
Netherlands	27.65	12	4.11	6	9	3
Norway	11.84	18	1.50	13	15.5	6
Poland	63.69	8	0.97	18	13	5
Portugal	11.12	19	1.01	16	17.5	7
Romania	6.79	23	0.22	22	22.5	7
Russia	142.49	6	3.11	8	7	3
Slovak Rep.	3.78	26	0.13	25	25.5	9
Slovenia	2.36	29	0.17	24	26.5	9
Spain	197.34	3	5.89	5	4	6
Sweden	33.16	11	2.37	10	10.5	5
Switzerland	12.86	16	3.52	7	11.5	8
Turkey	124.34	7	1.45	14	10.5	7
United Kingdom	152.50	5	11.45	4	4.5	6
Ukraine	0.53	33	0.11	26	29.5	9
<b>Albania</b>	1.14	30	[0.10]	[26]	[28]	[9]
<b>Azerbaijan</b>	0.79	31	[0.10]	[26]	[28.5]	[10]

Taking into account the trend in the quota in recent years and the aim of not being hard on the new Member countries, it was proposed that they should be granted a kind of most favoured nations clause and therefore given the highest number of licences at present held by the countries within their bracket for the average ranking based on the criteria used (GDP + t-km). The same idea is applied in this document.

Albania has therefore a similar ranking to Baltic States and Ukraine and Azerbaijan is in a similar situation to Luxembourg and Georgia.

*According to the above mentioned elements, the Council of Ministers, meeting in Warsaw, agreed on the allocation, as from 1st July 1999:*

**Albania: 128 licences**

**Azerbaijan: 120 licences**

## **DECISION ON THE MILLENNIUM BUG**

[CEMT/CM(99)23/FINAL]

### **DECLARATION**

The ECMT Council of Ministers of Transport of ECMT Member and Associate Members Countries, meeting in Warsaw (Poland) on 19 and 20 May 1999:

**TAKE NOTE** of the report [CEMT/CM(99)31] describing the substantial work going on in their Departments, in the agencies for which they are responsible and in transport companies both public and private to eliminate potential computer problems from the change to the year 2000;

**WELCOME** the progress being made to make computers and computer systems millennium compliant;

#### **REITERATE THEIR DETERMINATION:**

- to contribute to ensuring that all equipment affecting customer safety and comfort will be year 2000 compliant well before the end of 1999;
- to contribute to ensuring safe, efficient transport services in all modes for which they have a responsibility on the 1<sup>st</sup> January 2000.

**ASK ECMT** to continue to provide and exchange information on the topic, especially via its Internet site.

## **COVER NOTE**

[CEMT/CM(99)23/FINAL]

At the Ministerial Session in Copenhagen, U.S. Secretary for Transportation, Rodney SLATER, made an appeal to his colleagues to work together to ensure that all computer systems in the transport sector would be millennium compliant.

The extended Bureau in June 1998 and the Committee of Deputies in October 1998 asked that ECMT compile a dossier on the actions that governments and in particular Transport Ministries were undertaking in order to ensure that transport systems functioned safely and efficiently on the changeover to the year 2000.

The compilation of country responses has been placed on the ECMT Internet site [<http://www.oecd.org/cem/topics/y2k/index.htm>] and has been updated whenever additional information was provided. Links to other Internet sites and studies dealing with the issue have been provided. The site has been visited many times.

The country information [CEMT/CM(99)31] shows some of the efforts being made to eliminate potential problems. For countries with comprehensive programmes, it can be seen that substantial resources have been mobilised to try and ensure that system safety and efficiency is not compromised.

The Warsaw meeting provided an opportunity for Ministers to say publicly in the attached declaration that they are making great efforts to ensure that all transport systems for which they are responsible will be year 2000 compliant.

# **DECISION CONCERNING TRANSPORT FOR PEOPLE WITH MOBILITY HANDICAPS: CHARTER ON ACCESS TO TRANSPORT SERVICES AND INFRASTRUCTURE**

[CEMT/CM(99)24/FINAL]

## **1. The number of disabled people is growing**

Disabled people make up a significant and growing part of Europe's population. With the ageing population, this number will increase substantially over the next 50 years. By 2020, there will be twice as many people over 65 in Europe as there were in 1960.

## **2. Everyone must have an opportunity for independent living**

It is an unequivocal and agreed political objective to create a Europe in which all citizens, regardless of disability or age, have the opportunity for independent living. To achieve this, public buildings, the transport systems and infrastructure must be barrier-free.

## **3. New infrastructure must take account of the needs of people with disabilities**

There are many new transport and infrastructure projects being planned or constructed in Europe. The lifetime of transport equipment and infrastructure can be extremely long and projects being considered now will remain in service well into the next millennium. It is therefore essential that these are built to meet the needs of disabled people. In any case, improvements in accessibility add to the system's quality and usually benefit all travellers.

## **4. Governments must ensure access**

All governments have a clear responsibility to ensure that these projects are designed and constructed to the highest standards of accessibility.

## **5. Accessibility principles must be followed**

Fundamental principles applying to any project must include:

- a) All projects considered for public funding (at a national or international level) must, as a condition of this funding, agree to incorporate full accessibility, to approved standards or recognised best practice, into the design and construction.
- b) The design concept, from its earliest stage and throughout the design process, must be vetted and approved by experts in accessibility, including people with disabilities. National

governments will propose and approve suitable sources of advice. Where national governments do not have sources of advice, the EU or the ECMT will provide them.

- c) The accessibility requirements must incorporate, as a minimum:
- full access for wheelchair users (up to and including those using wheelchairs of ISO standard dimensions) including, where appropriate, accessible toilet facilities and lifts;
  - features to aid people with difficulties in walking, gripping, reaching or balancing (including non-slip surfaces, hand rails and handholds);
  - facilities to assist blind and partially sighted people (including consistent use of colour contrast, clear signing and lighting, non-reflective surfaces, audible as well as visual announcements and tactile and audible guidance and warning surfaces and systems (where appropriate));
  - facilities for people who are deaf or hard of hearing (including visual as well as audible announcements, induction loops and clear signs).

## **6. Public funding will be conditional**

Projects will be monitored for compliance with accessibility principles. Continued public funding will be made conditional on achieving satisfactory progress with the inclusion of access features.



## **COVER NOTE**

[CEMT/CM(99)24/FINAL]

Integrating disabled people in society is a policy objective in all countries. Ensuring that the transport system contributes to this aim has been a priority in ECMT work for over a decade. Ministers have on several occasions given political support to this through the adoption of recommendations and formal resolutions. One of the important central themes of the work has been that all new transport infrastructure should be constructed to take account of the needs of people with disabilities. This is vital because mistakes made now often cannot be rectified for decades.

To reinforce this already agreed principle, the Group on Transport for People with Mobility Handicaps considers that a Charter on Transport Investment is a useful addition to the existing instruments.

Its use will help to ensure that all those involved -- planners, engineers, architects, civil servants and politicians think about accessibility early in a project so that the needs of people with disabilities are built in from the start and not added on afterwards. It can be used at international as well as national level, so that for example the principle can apply to projects financed with the support of the European Union.

A Charter like this is, of course, not a legal instrument but one which, nevertheless, can have a practical effect in raising awareness about the importance of designing for accessibility. More importantly, it can help by making the provision of accessibility a condition of public funding.

**REPORTS APPROVED BY THE COUNCIL OF MINISTERS OF  
TRANSPORT IN 1999**



# FISCAL ASPECTS OF GOODS TRANSPORT BY ROAD: CHARGES IN INTERNATIONAL HAULAGE

[CEMT/CM(99)15]

## Introduction

There is increasing concern over the fairness and complexity of taxation in international haulage. In the newer Member states in particular, there has been a proliferation of new charges during the transition from centrally planned to market oriented economies. Traditional bilateral exemptions are proving an inadequate response. Mrs. Jorritsma Lebink, Dutch Minister for Transport, highlighted these problems at the Council of Copenhagen in 1998 and asked the secretariat to elaborate on principles of non-discrimination, non-accumulation and reasonableness that she identified as the basis for efficient systems of taxation.

This note deals with non-discrimination and non-accumulation. The test of reasonableness requires an examination of the principles on which cost-recovery policy should be based and the principles for efficient pricing of the use of infrastructure. These issues are examined in other published and ongoing work of the ECMT<sup>1</sup>.

### 1. Principles for establishing the fairness of taxation in international haulage

All ECMT Member countries levy fiscal charges on goods transport by road, usually through a combination taxes on the possession of vehicles and charges related to their use on the roads. Some of the charges are *territorially based*, i.e. to some extent related *pro rata* to the use of specific infrastructure, for example tolls and the Eurovignette<sup>2</sup>. Others are levied on the owner of the vehicle regardless of the amount he uses given infrastructure (labelled vehicle taxes, road taxes or vignettes). As taxes in this latter category are levied on vehicle owners at their place of business, they can be regarded as *nationality based* charges.

The *nationality-based charges* give rise to difficulties in international transport as governments have to decide whether and how to levy national charges on foreign owned vehicles. The traditional response has been to levy transit charges on foreign owned vehicles.

1. See: Efficient Transport for Europe: Policies for the internalisation of external costs; Resolution 98/1 on the Policy approach towards the internalisation of the external costs of transport; Work underway in the *Ad hoc* Expert Group on Fiscal and Financial Distortions in Transport Markets.
2. In Germany, Belgium, the Netherlands, Luxembourg, Denmark and Sweden, countries with no history of applying motorway tolls, growth in international traffic led to the development of the territorial based Eurovignette to replace former nationality based charges in large part. Eurovignette fees are paid annually or over shorter periods, and the pooled revenues are redistributed under a formula designed to relate income to the actual use of roads nationally.

Transit charges are waived in many cases under the terms of reciprocal bilateral agreements. Where transit charges are levied, they may either be calculated according to the formula used for the nationality based charge applied to domestic hauliers (the case in France) or under an entirely separate scale of charges (as in Germany). Hauliers can sometimes choose whether to pay charges at a daily rate or reduced weekly, monthly or quarterly rates. Discounted charge rates may also be available for journeys restricted to areas close to border crossings. The formulae and definitions employed vary greatly between countries.

The level of transit charges applied also varies greatly between countries. This gives rise to concern over the fairness of transit charges. The main principle on which fairness should be judged is *non-discrimination* which means that domestic and foreign hauliers should be taxed equally. For a transit charge to be non-discriminatory it should not result in foreign hauliers paying significantly higher charges than domestic hauliers over similar hauls.

To determine whether charges are discriminatory in country A, we need only examine the taxes levied in that country. If the sum of taxes levied in respect of a haul on domestic hauliers is more or less identical to the sum of taxes levied on a foreign haulier (from country B) for the same haul, then there is no discrimination. The tax system of country B is irrelevant to the comparison.

If foreign hauliers face higher charges, there is discrimination against them. Conversely if they face lower charges there is discrimination in their favour, though this has rarely become a political issue.

The practice of waiving transit charges under bilateral agreements developed as a pragmatic response, on a case by case basis, to overcoming political concerns over individual transit charges that were seen (rightly or wrongly) as discriminatory. Bilateral waivers have proved a useful instrument in removing barriers to trade but they can be a source of discrimination in themselves and their widespread development has led to the mistaken perception in some quarters that all transit charges are necessarily unfair.

This in turn leads to the mistaken practice of examining fairness by comparing the tax system of country A with that of country B. Following this mistaken reasoning, when country A finds that country B applies some unfamiliar tax instruments to all hauliers operating there, it decides to invent a similar instrument to apply to hauliers just from country B. It does this in the hope of later negotiating a bilateral treaty to waive the kind of tax in question. It should be remembered that the normal use of bilateral waivers is to provide exemption from a transit charge that normally applies to all foreign operators -- not to provide exemption from a charge targeted at only one country's hauliers, or hauliers from a small group of countries.

Following this mistaken logic, some countries have introduced special, retaliatory taxes targeted at hauliers from countries that operate the Eurovignette. This is wrong as the Eurovignette is a territorially based charge which all hauliers pay, and not a nationality based charge. Territorial based charges only have to be examined for fairness in the unusual case that domestic hauliers are granted some kind of discount or exemption.

Retaliatory taxes (or special exemptions) should not be applied. Their deployment is likely to provoke further retaliatory measures from the targeted countries which will lead to more complication of the already complex set of charges to which international haulage is subject. This can only result in higher costs to hauliers, longer delays at frontiers, new opportunities for corruption and higher administrative and policing charges. In short they are a barrier to trade and are likely to undermine economic growth, both in Europe as a whole and in the individual country deploying the special tax.

The impact of such special taxes can be large. The IRU estimates that in the worst cases they amount to several hundred Euro per haul<sup>3</sup>.

## **2. Identifying discriminatory charges**

### ***Transit charges***

This report does not attempt to analyse the fairness, on a country by country basis, of the treatment of foreign and domestic hauliers as a result of the application of traditional transit taxes (charges designed to make foreign hauliers contribute to infrastructure costs in a similar way to domestic hauliers). A comprehensive analysis could be attempted, however, on the basis of a methodology for making international comparisons of taxation under development by the ECMT<sup>4</sup>. The starting point is to identify nationality based charges (as opposed to territorially based charges) and quantify their impact on a standard haul by a domestic haulier (the least problematic way to do this is to convert the nationality based charges paid annually into an equivalent rate of taxation on diesel, based on average annual diesel consumption). The impact of transit charges applied to foreign hauliers on the same standard haul can then be computed in a similar way, and compared.

### ***Retaliatory charges***

Such complicated analysis is not required in the case of retaliatory charges. As stated above, they are by definition discriminatory and should not be applied.

### ***Exemptions to territorial charges***

Exemptions, or discounts, to road tolls and other territorial charges for domestic hauliers are discriminatory, again as explained above, and should not be applied.

### ***Weight and abnormal load charges***

These are normally not discriminatory, so long as they are applied in the same way to foreign and domestic hauliers. In Eastern Europe they have been employed in some countries to compensate for the fact that roads were not designed to carry the weight of modern standard trucks. Thus trucks with an axle weight exceeding the design standard for trunk roads are charged fees related to the excessive wear their use entails, regardless of their country of origin. The fact that domestic operators generally operate trucks with lower axle weights is irrelevant. However, if domestic hauliers enjoy exemptions to axle weight fees there is discrimination and the practice should end. This can arise in practice by default in countries where there is no control of weights and dimensions except at borders.

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3. IRU Tax Survey in Central and Eastern Europe, IRU Geneva, 1998.

4. See: CEMT/CS/TR(98)11, Fiscal aspects of road transport - draft conclusions; CEMT/CS/TR(98)10, Fiscal aspects of road transport - Fiscal and financial distortions in freight transport; CEMT/CS/FiFi/M(98)1, *Ad hoc* Expert Group on Fiscal and Financial Distortions in Transport Markets - summary record of meeting of 17 December 1998.

## *Other fees*

There is a range of other fees to which international haulage is subject: taxes for the use of terminal facilities; border crossing charges; environment taxes; sanitary inspection fees; parking fees, etc.. These are not necessarily discriminatory if they are levied on both foreign and domestic hauliers in the same way. Even if the method of application differs between foreign and domestic hauliers, there may not be discrimination. However, in such cases it is difficult to determine whether the amount of tax levied is fair or discriminatory (see paragraph on transit charges). More fundamentally, these services are normally funded by central government in a market economy. Delegating entire responsibility for the levying and collection of fees to local administrations starved of resources will almost inevitably lead to proliferation in the number and inflation in the level of charges.

The large and increasing number of such charges coupled with the fact that new charges are introduced and rates changed without sufficient notice to international hauliers, itself represents a significant barrier to trade. The uncertainty opens the door to fraud and hauliers find it increasingly difficult to plan adequate financial provision for covering charges levied at borders.

Finally, the introduction of charges for the internalisation of external costs could give rise to similar difficulties if insufficient notice is given and if rates are changed too frequently. Such charges are, however, likely to be levied through territorial based instruments which do not give rise to issues of discrimination.

### **3. Recommendations**

The response to political issues over the fairness of charges should not be to introduce new taxes and further complicate the taxation of international haulage. It should instead be to simplify taxation, preferring territorial taxes (paid by all hauliers) to nationality based taxes. Harmonisation of taxation across Europe would solve the problem comprehensively but can only be expected to be achieved in the long term given current discrepancies. In the short term, pragmatic responses to issues of fairness can serve the interests of harmonisation if they tend towards reducing the weight and complexity of nationality based taxes, replacing them with territorial charges (tolls, other use-charges -- e.g. electronic km-charges -- and fuel charges). In the longer term, the structure adopted more or less by EU member countries should serve as the model for the first step towards harmonisation across the ECMT area, even if it is imperfect and member States do not entirely restrict themselves to this set of taxes at present. It comprises three main categories of taxation:

- 1) a territorial charge in the form of tolls or the Eurovignette;
- 2) nationality based vehicle taxes (without complementary transit charges);
- 3) fuel excise tax.

As described in section 1, retaliatory charges are by definition discriminatory and their deployment should cease.

Miscellaneous charges to cover costs related to border controls, local customs inspection costs, policing costs, parking etc., although not necessarily discriminatory, should be minimised due to their complexity. These costs would be better covered through an element of a generalised territorial charge. At the least, a single entry charge (applicable to all hauliers regardless of nationality) would be preferable to a multiplicity of charges. Such charges must also be subject to strict national guidelines as far as their nature and level are concerned if proliferation and inflation of charges is to be avoided.

## Annex: Fiscal charges in goods transport

In the following annex, we reproduce information on fiscal charges in goods transport from the IRU's Handbook of International Road Transport, 15th edition, 1998. The Handbook is the most complete set of information available, covering 57 countries, and ECMT is grateful for permission to reproduce relevant sections of this copyright material.

The information reproduced presents details of the taxes applied to foreign hauliers in the ECMT countries and neighbouring countries covered by the IRU. Where there is a heading without text this indicates that the tax identified exists but is applied in the same way to both domestic and foreign hauliers. There is no attempt to single out cases where charges are discriminatory.

### CHARGES FISCALES - FISCAL CHARGES

#### AUTRICHE - AUSTRIA

a) Impôt sur le chiffre d'affaires (TVA)	a) Turnover tax (VAT)
b) Taxe sur les véhicules	b) Vehicle tax
c) Vignette autoroutière	c) Motorway dues
d) Droits d'usage	d) Road user charge

#### AFGHANISTAN - AFGHANISTAN

Le trafic routier est soumis à une taxe d'entrée dont le montant dépendra des termes des accords bilatéraux. Des péages sont à acquitter sur les principaux axes routiers.

Road traffic is submitted to an entry tax, the amount of which depends on the provisions of the corresponding bilateral agreements. Tolls have to be paid on trunk roads.

#### ALBANIE - ALBANIA

Les taxes imposées sur les camions et ensembles routiers en Albanie sont les suivantes:  
Taxe de circulation ALL 3000  
Péages (tunnels/ponts) aucune

The following taxes are levied on goods vehicles in Albania:  
Road tax ALL 3000  
Tolls (tunnels/bridges) none

#### AZERBAÏDJAN - AZERBAIJAN

##### a) Droits d'usage

A l'entrée du pays, les camions et ensembles routiers immatriculés à l'étranger sont soumis à un droit d'usage aux tarifs indiqués ci-dessous. Le paiement se fait en devises nationales (*manats*) au taux de change en vigueur à la Banque nationale d'Azerbaïdjan.

##### a) Road user charge

On entering the country, foreign-registered goods vehicles are subject to a road user charge at the rates indicated below. Payment must be made in local currency (*manats*) at the daily exchange rate of the National Bank of Azerbaijan.



Durée du séjour / Length of stay	Nombre d'essieux / Number of axles	
	≤4	>4
1 jour / 1 day	\$20	\$30
2 jours - 1 semaine 2 days - 1 week	\$120	\$180
1 semaine - 1 mois 1 week - 1 month	\$500	\$780
1 mois - 3 mois 1 month - 3 months	\$1500	\$2340
3 mois - 1 an 3 months - 1 year	\$6000	\$9360

Pour le transport de marchandises dangereuses les tarifs sont (en pourcentage de ceux indiqués ci-dessous):

produits peu dangereux	100%
matières dangereuses	200%
matières très dangereuses	300%

**b) Taxes de surcharge**

For dangerous goods transport the tariffs are (as a percentage of those indicated above):

low danger goods	100%
dangerous goods	200%
highly dangerous goods	300%

**b) Fees for overweight vehicles**

**BELGIQUE - BELGIUM**

**a) TVA**

**a) VAT**

**b) Droits d'usage (Eurovignette)**

**b) User charge (Eurovignette)**

**BULGARIE - BULGARIA**

**a) Taxe de circulation**

La taxe de circulation perçue sur les véhicules étrangers en transit par ou à destination de la Bulgarie, immatriculés dans des pays avec lesquels la Bulgarie a signé des accords pour les transports routiers, est déterminée sur base de la réciprocité établie dans ces accords.

Le tarif pour les camions avec ou sans remorque/semi-remorque qui ne sont pas exonérés du paiement de la taxe est de

véhicule à 2 essieux	US\$70
véhicule à 3 essieux ou plus	US\$100

Cette taxe est perçue aux points de passage de la frontière, en devises convertibles au taux de change du jour. Elle est perçue à chaque entrée en Bulgarie, à l'exception du trafic frontalier pour lequel elle est perçue par période journalière, indépendamment du nombre d'entrées.

Un transporteur, ayant payé les taxes routières et péages correspondant à un itinéraire précis en territoire bulgare, et qui modifie son itinéraire, doit payer la différence à sa sortie du pays.

**b) Taxes de surcharge**

**c) Péages autoroutiers**

**d) Taxes de parking**

**e) Redevances pour les formalités douanières**

**a) Road tax**

The road tax levied on foreign vehicles entering or transiting through Bulgaria and registered in countries with which Bulgaria has entered road transport agreements is determined on the basis of reciprocity established in such agreements.

The rate of tax for goods vehicles with or without trailer/semi-trailer which are not exempt from payment is

vehicle with 2 axles	US\$70
vehicle with 3 axles or more	US\$100

This tax is collected at border crossing points, in convertible currency according to the official daily exchange rate of the National Bank of Bulgaria. It is collected on each entry into Bulgaria, with the exception of border traffic on which it is collected once a day, irrespective of the number of entries.

If a carrier who has paid road taxes and motorway tolls for a fixed itinerary through Bulgaria changes this itinerary, he must pay the difference when leaving the country.

**b) Fees - excess weight and size**

**c) Motorway tolls**

**d) Parking fees**

**e) Fees for customs clearance**

**f) Redevances pour désinfection de véhicules****f) Dues for disinfection of vehicles****g) Redevances pour pesage des véhicules à leur entrée sur le territoire bulgare****g) Charges for weighing vehicles upon entry into the territory of Bulgaria****BÉLARUS - BELARUS****a) Taxe de circulation**

Sous réserve d'un accord bilatéral, les véhicules étrangers qui entrent ou qui sont en transit par le Bélarus sont sujets, à l'entrée du pays, à une taxe de circulation aux taux suivants:

*Camions qui entrent en Bélarus*

jusqu'à 10t de charge utile	US\$ 35
de 10.1t à 24t de charge utile	US\$ 50
plus de 24t de charge utile	US\$ 80

*Camions en transit par le Bélarus*

jusqu'à 10t de charge utile	US\$ 70
de 10.1t à 24t de charge utile	US\$ 100
plus de 24t de charge utile	US\$ 155

Cette taxe doit être versé en devises étrangères ou en roubles bélarusses au taux de change en vigueur à la Banque nationale de la République de Bélarus. Les transports humanitaires sont exemptés de cette taxe.

Selon la Réglementation N/508 du Conseil des Ministres du 1er août 1996, le Ministère des Transports et des Communications a le droit d'augmenter le taux imposé aux véhicules étrangers au cas où le taux de taxe routière dans ces pays dépasserait le taux en vigueur en Bélarus.

**b) Péage autoroutier, Brest - Minsk - frontière russe****Transit simple** (montant prélevé à l'entrée et à la sortie)

Camions

- à 2 essieux	US\$5
- à 3 essieux	US\$10
- à 4 essieux ou plus	US\$20

Des cartes de prépaiement sont délivrées par Beldoravtostrada. Sur la demande de carte doivent figurer le numéro et le pays d'immatriculation, le type du véhicule, le nombre d'essieux ainsi que le nombre de transports de transit. Le prix de la carte est en fonction de ce dernier et est calculé sur la base du prix du transit simple -

- jusqu'à 30 voyages de transit	100%
- 31-60 voyages de transit	95%
- plus de 60 voyages de transit	90%

Les transports humanitaires sont exemptés de cette taxe.

**c) Taxes locales**

Les camions immatriculés à l'étranger sont soumis à des taxes locales dans les régions de Brest, Grodno, Gomel et Vitebsk. Les montants sont -

*Région de Brest*

Postes frontière de Kozlovichy et Domachevo (pour services sanitaires)

- charge utile jusqu'à 5t	US\$23
- charge utile de plus de 5t	US\$25

*Région de Grodno*

Postes frontière de Bruzghi et Berestovitz (frais de parking)

- camions	US\$25
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**a) Road tax**

Unless otherwise provided for under a bilateral agreement, foreign vehicles entering or in transit through Belarus are subject to a road tax, payable on entering the country, at the following rates:

*Goods vehicles entering Belarus*

up to 10t payload	US\$ 35
from 10.1t to 24t payload	US\$ 50
over 24t payload	US\$ 80

*Goods vehicles in transit through Belarus*

up to 10t payload	US\$ 70
from 10.1t to 24t payload	US\$ 100
over 24t payload	US\$ 155

Payment may be made in foreign currency or in Belarussian roubles at the rate of exchange of the National Bank of the Republic of Belarus. Humanitarian transport operations are exempt from the above tax.

According to Regulation N/508 of the Council of Ministers of 1 August 1996, the Ministry of Transport and Communications has the right to increase the rate of road tax for foreign vehicles if the rate of road tax in these countries exceeds the rate of tax in Belarus.

**b) Motorway toll, Brest - Minsk - Russian border****Single transit** (toll levied on entry and on exit)

Goods vehicles

- with 2 axles	US\$5
- with 3 axles	US\$10
- with 4 axles or more	US\$20

Prepaid cards are issued by Beldoravtostrada. The application for a card must contain the registration number and country of registration, vehicle type, number of axles and the number of transit transport operations. The price of the card depends on the number of operations and is calculated according to the price of a single transit -

- up to 30 transit operations	100%
- 31-60 transit operations	95%
- over 60 transit operations	90%

Humanitarian transport operations are exempt from this tax.

**c) Local taxes**

Local taxes are levied on foreign-registered goods vehicles in the regions of Brest, Grodno, Gomel et Vitebsk. The tariffs are -

*Brest region*

Kozlovichy and Domachevo border posts (for sanitary services)

- up to 5t payload	US\$23
- over 5t payload	US\$25

*Grodno region*

Bruzghi and Berestovitz border posts (parking charges)

- goods vehicles	US\$25
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**Région de Gomel**

Poste frontière de Novaya Roudnya (parking de véhicules en transit)

🚚 charge utile jusqu'à 5t	US\$10
🚚 charge utile de plus de 5t	US\$15

Poste frontière de Novaya Gouta (maintenance du poste frontière)

🚚 charge utile jusqu'à 5t	US\$15
🚚 charge utile de plus de 5t	US\$20

**Région de Vitebsk**

Poste frontière de Redky (parking de véhicules en transit)

🚚 camions	US\$20
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**d) Taxes pour le dépassement des poids et/ou dimensions maximums autorisés**

**Gomel region**

Novaya Roudnya border post (parking for vehicles in transit)

🚚 up to 5t payload	US\$10
🚚 over 5t payload	US\$15

Novaya Gouta border post (maintenance of the border post)

🚚 up to 5t payload	US\$15
🚚 over 5t payload	US\$20

**Vitebsk region**

Redky border post (parking for vehicles in transit)

🚚 goods vehicles	US\$20
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**d) Fees for excess weight and/or dimensions**

**SUISSE - SWITZERLAND****Redevance sur le trafic des poids lourds****Fees on heavy vehicle traffic****RÉPUBLIQUE TCHÈQUE - CZECH REPUBLIC****a) Taxe de circulation**

Sous réserve d'un accord bilatéral, une taxe de circulation est prélevée sur les véhicules commerciaux étrangers de plus de 3.5t de PTC. Si le séjour dépasse 183 jours, le montant dû correspond au taux annuel. Pour les séjours plus courts, la taxe est calculée selon le nombre de jours passés dans le pays, aux taux ci-dessous:

- taxe journalière: 2% du taux annuel (minimum KC500)
- taxe hebdomadaire: 5% du taux annuel (minimum KC1000)
- taxe mensuelle: 20% du taux annuel (minimum KC3000)

Le taux annuel pour les véhicules utilitaires est en fonction du PTC et du nombre d'essieux:

**Véhicule à 1 essieu**

Poids	Taux
moins de 1t	KC1800
plus de 1t	KC2700

**Véhicule à 2 essieux**

Poids	Taux
moins de 1t	KC1800
1t - 2t	KC2400
2t - 3.5t	KC3600
3.5t - 5t	KC4800
5t - 12t	KC6000 - 10800
12t - 13t	KC12600
13t - 14t	KC14700
14t - 15t	KC16500
15t - 18t	KC23700
18t - 21t	KC29100
21t - 24t	KC35100
24t - 27t	KC40500
plus de 27t	KC46200

**Véhicule à 3 essieux**

Poids	Taux
moins de 17t	KC1800 - 13200
17t - 19t	KC15900
19t - 21t	KC17400
21t - 23t	KC21300
23t - 26t	KC27300

**a) Road tax**

Unless otherwise provided for by a bilateral agreement, foreign goods vehicles of over 3.5t GVW are subject to a road tax. If the length of the visit exceeds 183 days, the annual rate is due. For shorter stays, the tax is calculated according to the number of days spent in the country, as follows:

- daily rate: 2% of the annual rate (minimum KC500)
- weekly rate: 5% of the annual rate (minimum KC1000)
- monthly rate: 20% of the annual rate (minimum KC3000)

The annual rate of tax for goods vehicles is based on the GVW and the number of axles:

**Vehicle with 1 axle**

Weight	Rates
less than 1t	KC1800
over 1t	KC2700

**Vehicle with 2 axles**

Weight	Rates
less than 1t	KC1800
1t - 2t	KC2400
2t - 3.5t	KC3600
3.5t - 5t	KC4800
5t - 12t	KC6000 - 10800
12t - 13t	KC12600
13t - 14t	KC14700
14t - 15t	KC16500
15t - 18t	KC23700
18t - 21t	KC29100
21t - 24t	KC35100
24t - 27t	KC40500
over 27t	KC46200

**Vehicle with 3 axles**

Weight	Rates
less than 17t	KC1800 - 13200
17t - 19t	KC15900
19t - 21t	KC17400
21t - 23t	KC21300
23t - 26t	KC27300

26t - 31t	KC36600
31t - 36t	KC43500
plus de 36t	KC50400

**Véhicule à 4 essieux ou plus**

Poids	Taux
moins de 25t	KC8400 - 17700
25t - 27t	KC22000
27t - 29t	KC28200
29t - 32t	KC33300
32t - 36t	KC39300
plus de 36t	KC44100

**b) TVA**

**c) Taxes de surcharge**

**d) Droits d'usage - routes internationales et autoroutes**

26t - 31t	KC36600
31t - 36t	KC43500
over 36t	KC50400

**Vehicle with 4 or more axles**

Weight	Rates
less than 25t	KC8400 - 17700
25t - 27t	KC22000
27t - 29t	KC28200
29t - 32t	KC33300
32t - 36t	KC39300
over 36t	KC44100

**b) VAT**

**c) Fees - excess weight and dimensions**

**d) User charge - trunk roads and motorways**

**ALLEMAGNE - GERMANY**

**a) Taxe sur les véhicules**

Les véhicules immatriculés dans un des Etats membres de l'UE ainsi qu'en Bulgarie, Chypre, Croatie, Hongrie, Israël, Lettonie, Liechtenstein, Pologne, République tchèque, Roumanie, Slovaquie, Suisse et Tunisie sont exemptés de la taxe sur les véhicules pour autant que leur séjour en Allemagne ne dépasse pas 14 jours. Pour les véhicules immatriculés dans le pays membres de la CEI, en Estonie, Iran, Lituanie, Norvège et Turquie, le délai est de 21 jours.

Les autres véhicules doivent acquitter la taxe selon le barème suivant:

<i>Véhicules à moteur</i>	
jusqu'à 7.5t	DM3
plus de 7.5t à 15t	DM9
plus de 15t	DM12

<i>Remorques</i>	
jusqu'à 7.5t	DM2
plus de 7.5t à 15t	DM4
plus de 15t	DM6

Une attestation en langue allemande indiquant le PTC est obligatoire.

**b) Droits d'usage (Eurovignette)**

**a) Vehicle tax**

Vehicles originating from an EU member state or from Bulgaria, Croatia, Cyprus, Czech Republic, Hungary, Israel, Latvia, Liechtenstein, Poland, Romania, Slovakia, Switzerland or Tunisia are exempt from vehicle tax providing their stay does not exceed 14 days. For vehicles registered in CIS member states, Estonia, Iran, Lithuania, Norway and Turkey the deadline is 21 days.

Vehicles registered in other countries must pay a tax according to the following daily rates:

<i>Motor vehicles</i>	
up to 7.5t	DM3
over 7.5t to 15t	DM9
over 15t	DM12

<i>Trailers</i>	
up to 7.5t	DM2
over 7.5t to 15t	DM4
over 15t	DM6

A certificate in German giving the GVW must be produced.

**b) Road user charge (Eurovignette)**

**DANEMARK - DENMARK**

**a) Droits d'usage (Eurovignette)**

**a) User charge (Eurovignette)**

**ESPAGNE - SPAIN**

**a) Taxe de circulation**

La taxe de "coordination" est de Ptas 0.40 par tonne de charge utile et par km au-delà des 10 premiers kms. Cette taxe n'est pas prélevée pour les véhicules immatriculés dans un pays ayant conclu un accord bilatéral avec l'Espagne.

**b) Péages autoroutiers**

**a) Road tax**

The "coordination" tax is Ptas 0.40 per payload tonne/km over and above the first 10km. The tax is not payable in respect of vehicles registered in those countries which have a bilateral agreement with Spain.

**b) Motorway tolls**

## ESTONIE - ESTONIA

Il n'y a pas de charges fiscales sur les véhicules étrangers en Estonie, à l'exception de celles qui frappent les véhicules dépassant les poids et dimensions maximums autorisés.

There are no fiscal charges for foreign motor vehicles, with the exception of charges on vehicles exceeding the maximum authorised weights and dimensions.

## FRANCE - FRANCE

### a) TVA

### b) Taxe sur les véhicules (taxe à l'essieu)

*(à noter que des modifications de cette taxe sont attendues pour le 1.1.99)*

Taxe spéciale sur certains véhicules routiers: cette taxe est appliquée aux véhicules immatriculés dans un pays étranger n'ayant pas d'accord d'exonération réciproque avec la France, et également à certains véhicules français.

### c) Taxe de rétorsion

En France, il existe une taxe dite de rétorsion appliquée aux véhicules immatriculés dans certains pays qui imposent une fiscalité aux véhicules français. Cette taxe est de l'ordre de FF500/jour.

### a) VAT

### b) Vehicle tax (tax per axle)

*(please note that modifications to this tax are expected on 1.1.99)*

Special tax on certain vehicles: this tax applies to foreign vehicles registered in a country which has not concluded an agreement for reciprocal exoneration with France, and also to certain French vehicles.

### c) Retortion tax

In France, there exists a so-called retortion tax applied to vehicles registered in countries which tax French vehicles. This tax amounts to FF500 per day.

## FINLANDE - FINLAND

### Taxe sur les carburants

### Fuel tax

## ROYAUME-UNI - UNITED KINGDOM

### a) Taxe de circulation

Aucune taxe n'est perçue sur les véhicules utilitaires immatriculés à l'étranger durant la période où les véhicules ne sont pas soumis aux redevances douanières - normalement 90 jours au maximum.

### b) TVA

### a) Road tax

No tax is payable in the United Kingdom on foreign-registered goods vehicles for the period during which vehicles are exempt from customs charges - normally a maximum of 90 days.

### b) VAT

## GÉORGIE - GEORGIA

### Taxe de transit

Le transport routier de marchandises en transit par la Géorgie est taxé de la manière suivante:

- Véhicules en provenance d'un pays n'ayant pas conclu d'accord bilatéral avec la Géorgie

<i>charge utile</i>	<i>taxe</i>
jusqu'à 10t	US\$130
10.1t - 20t	US\$160
plus de 20t	US\$220

- Les véhicules en provenance d'un pays qui a conclu un accord bilatéral avec la Géorgie et qui sont couverts par une autorisation sont exonérés de ces taxes.

### Transit tax

The transport by road of goods in transit through Georgia is taxed as follows:

- Vehicles registered in a country which has not concluded a bilateral agreement with Georgia

<i>payload</i>	<i>tax</i>
up to 10t	US\$130
10.1t - 20t	US\$160
over 20t	US\$220

- Vehicles registered in a country which has concluded a bilateral agreement with Georgia and which are in possession of an authorisation are exempt from the above taxes.

## GRÈCE - GREECE

### a) Taxes - pays tiers

Sous réserve d'un accord bilatéral, les camions et ensembles routiers immatriculés dans un pays tiers (càd un pays non-membre de l'UE) sont sujets aux taxes suivantes:

Taxe d'entrée Dr 6250  
Taxe pour formalités douanières Dr 7000

### b) Taxe de circulation

Sous réserve d'un accord bilatéral, tous les véhicules étrangers engagés dans le transport international de marchandises sont soumis à la taxe de circulation suivante:

*Camions à essence, d'une capacité utile de*  
jusqu'à 1t Dr 200 par semestre  
plus Dr 0.15 par kg supplémentaire, par semestre  
*Camions à diesel, d'une capacité utile de*  
jusqu'à 1t Dr 400 par semestre  
plus Dr 0.30 par kg supplémentaire, par semestre  
*Tracteurs*  
Dr 10 par CV fiscal, par semestre.

#### *Remorques et semi-remorques*

le même taux que pour les véhicules diesel ci-dessus.  
Les semestres vont du 1er janvier au 30 juin, et du 1er juillet au 31 décembre. Le nombre d'entrées par véhicule est illimité. Si le véhicule entre pour la première fois en Grèce le 4ème mois d'un semestre, la taxe est réduite de 50%.

### c) Péages autoroutiers

### a) Taxes - third countries

Unless otherwise provided for under a bilateral agreement, all foreign goods vehicles registered in a third country (i.e. a country which is not an EU-member state) are subject to the following charges:

Entry tax Dr 6250  
Tax for customs formalities Dr 7000

### b) Road tax

Unless otherwise provided for under a bilateral agreement, all foreign goods vehicles are subject to the following road tax:

*Petrol-powered lorries, with a loading capacity of*  
up to 1t Dr 200 per six month period  
plus Dr 0.15 per additional kg, per six month period  
*Diesel-powered lorries with a loading capacity of*  
up to 1t Dr 400 per six month period  
plus Dr 0.30 per additional kg, per six month period  
*Tractors*  
Dr 10 per taxable unit of horsepower, per six month period.  
*Trailers and semi-trailers*  
as for diesel-powered lorries above.  
The six-monthly periods run from 1st January to 30th June, and from 1st July to 31st December. The number of entries into Greece is unlimited. The tax is reduced by 50% if a vehicle enters the country for the first time during the fourth month of a semester.

### c) Motorways tolls

## HONGRIE - HUNGARY

### a) Taxe sur les véhicules

Le transport de marchandises en Hongrie est soumis à une taxe de HUF3.00 par km et par tonne. Le kilométrage pris en compte correspond au parcours réalisé en Hongrie. La procédure de calcul est basée sur le tachygraphe ou, si celui-ci n'est pas fiable, sur la feuille d'expédition ou tout autre document équivalent. Faute de ceux-ci, le kilométrage sera estimé sur la base de 300km parcourus par jour. Le temps passé en réparation n'est pas pris en compte.

Seuls les véhicules originaires de pays ayant conclu un accord bilatéral d'exemption de taxe, sont exonérés du paiement de cette taxe.

### b) Péages autoroutiers

### c) Taxes de surcharge

### a) Vehicle tax

In Hungary, goods transport is subject to a tax of HUF3.00/tkm. The distance taken into account is that travelled in Hungary, based on the tachograph or, if this is unreliable, on the consignment note or any other equivalent document. If none of these is available, the distance is estimated on the basis of 300km/day. Time spent under repair is free of tax.

Only vehicles registered in countries which have signed bilateral agreements for tax exemption are not required to pay this tax.

### b) Motorway tolls

### c) Excess weight fees

## JORDANIE - JORDAN

### a) Taxe de transport

Pour les transports occasionnels (un seul voyage) il n'est pas prélevé de taxe de transport. Lorsqu'il s'agit de transports fréquents, une taxe, dont le taux est fixé par un accord bilatéral, est prélevée sur la valeur de la marchandise.

### b) Taxe d'infrastructure

Les taxes suivantes sont prélevées sur le transport de marchandises par route:

- 4 dinars de la valeur de la marchandise par voyage, jusqu'à un maximum de 200 dinars;

Plus

- 5 dinars pour un camion à vide;
- 10 dinars pour un ensemble routier à vide;
- 15 dinars pour un camion en charge;
- 25 dinars pour un ensemble routier en charge.

### a) Transport tax

No tax is levied on occasional transport services (one journey). In the case of frequent transport services, a tax, at a rate fixed by bilateral agreement, is levied on the value of the goods transported.

### b) Infrastructure tax

The following fees are levied on the transport of goods by road:

- 4 dinars of the value of the laden goods per journey, up to a maximum of 200 dinars;

plus

- 5 dinars for an empty lorry;
- 10 dinars for an empty road train or articulated vehicle;
- 15 dinars for a loaded lorry;
- 25 dinars for a loaded road train or articulated vehicle.

## CROATIE - CROATIA

### Péages autoroutiers

### Motorway tolls

## ITALIE - ITALY

### a) Taxe de circulation

### b) Taxe fixe

Les transporteurs étrangers sont soumis au paiement d'un droit fixe de LIT18 000 par tonne (ou fraction de tonne) de marchandises transportées sur les parcours supérieurs à 100km en territoire italien. Pour les parcours inférieurs à 100km, ce droit est de LIT12 000 par tonne (ou fraction de tonne) de marchandises transportées. Tous les transports en provenance de pays avec lesquels l'Italie a conclu des accords bénéficient de l'exemption des taxes fixes.

### c) TVA

### a) Road tax

### b) Fixed duty

Foreign carriers pay a fixed duty of LIT18,000 per tonne (or fraction of a tonne) of goods carried on distances of over 100km on Italian territory. For distances of less than 100km, the duty is LIT12,000 per tonne (or fraction of a tonne) of goods carried. All transport operations originating in countries with which Italy has concluded bilateral agreements are exempted from the payment of fixed duties.

### c) VAT

## ISRAËL - ISRAEL

Il n'est pas prélevé de charges fiscales sur le transport de marchandises ni de taxes pour l'usage des infrastructures routières.

There are no fiscal charges levied on goods transport nor taxes for the use of road networks.

## IRAN - IRAN

### Taxe pour passavant

Les transports sous couvert d'un Carnet TIR sont soumis à une taxe pour passavant qui se monte à 0,65 rials par kilo, payable par le destinataire.

### Transire charges

Shipments under cover of TIR carnets are subject to transire charges amounting to RIs 0.65 per kilo, payable by the consignee.

Lors de l'entrée dans le pays, une garantie doit être versée pour les marchandises à destination de l'Iran qui ne sont pas sous couvert d'un Carnet TIR; la garantie pour la marchandise en transit se monte à trois fois sa valeur en douane.

A guarantee must be paid at the customs post of entry in respect of goods destined for Iran and which are not under cover of a TIR carnet; a guarantee amounting to three times the customs value of the goods must be paid in respect of goods in transit.

#### **IRLANDE - IRELAND**

**Taxe de circulation**

**Road tax**

#### **KIRGHISISTAN - KYRGYZ REPUBLIC**

**Péages** - pour certains tunnels routiers.

**Tolls** - for certain road tunnels.

#### **KAZAKHSTAN - KAZAKHSTAN**

Les transporteurs originaires d'un pays n'ayant aucun accord bilatéral avec le Kazakhstan sont soumis à une taxe de US\$260 pour les transports d'export, d'import ou de transit. Le non-paiement de cette taxe à l'entrée du pays entraîne une amende de US\$700 à la sortie.

Transport operators whose country of origin has no bilateral agreement with Kazakhstan are subject to a tax of US\$260 for export, import and transit operations. Failure to pay the tax on entering the country will result in a fine of US\$700 on exit.

#### **LUXEMBOURG - LUXEMBURG**

a) **Taxe de circulation**

a) **Road tax**

b) **TVA**

b) **VAT**

c) **Droits d'usage (Eurovignette)**

c) **User charge (Eurovignette)**

#### **LITUANIE - LITHUANIA**

a) **Taxe de circulation**

a) **Road tax**

b) **Taxe pour dépassement des dimensions maximums autorisées**

b) **Fees for exceeding maximum permitted dimensions**

c) **Taxes de surcharge**

c) **Fees for excess weight**

d) **Redevances pour les formalités douanières**

d) **Fees for customs clearance**

#### **LETTONIE - LATVIA**

Aucune taxe n'est perçue sur les véhicules étrangers engagés dans le transport international de marchandises.

No taxes are levied on foreign-registered goods vehicles.

#### **MAROC - MOROCCO**

**Taxe de circulation**

**Road tax**



#### MOLDOVA - MOLDOVA

- |                        |  |
|------------------------|--|
| a) Taxe de circulation | a) Road tax                              |
| b) Taxes de surcharge  | b) Fees for excess weight and dimensions |

#### EX-RÉPUBLIQUE YOUGOSLAVE DE MACÉDOINE - FORMER YUGOSLAV REPUBLIC OF MACEDONIA

- |   |  |
|---|--|
| a) Taxe de circulation                                    | a) Road tax  |
| b) Péages autoroutiers                                    | b) Motorway tolls                                  |
| c) Tarifs des prestations de service aux postes frontière | c) Tariffs for use of services at border crossings |

#### NORVÈGE - NORWAY

- |   |   |
|---|---|
| a) Taxe de circulation<br>Les camions étrangers qui circulent en Norvège ne sont soumis à aucune taxe de circulation. | a) Road tax<br>No taxes are levied on foreign goods vehicles entering Norway. |
| b) Péage pour l'entrée en ville d'Oslo  | b) Toll for entry to Oslo   |
| c) Taxe sur les carburants  | c) Fuel tax   |
| d) Redevances pour les formalités douanières  | d) Fees for customs clearance   |

#### PAYS-BAS - NETHERLANDS

- |                               |                            |
|-------------------------------|----------------------------|
| Droits d'usage (Eurovignette) | User charge (Eurovignette) |
|-------------------------------|----------------------------|

#### PORTUGAL - PORTUGAL

- |                           |                |
|---------------------------|----------------|
| a) Taxe sur les véhicules | a) Vehicle tax |
| b) Sur les carburants     | b) On fuel     |
| c) Péages                 | c) Tolls       |

#### POLOGNE - POLAND

- |                       |   |
|-----------------------|---|
| a) TVA                | a) VAT                                      |
| b) Droits d'usage     | b) Road user charge                         |
| c) Taxes de surcharge | c) Fees for excess weight and/or dimensions |

## ROUMANIE - ROMANIA

### a) Taxe de circulation

Sous réserve des accords bilatéraux existants, la taxe suivante est perçue sur les véhicules immatriculés à l'étranger:

US\$0,023 par tonne de poids brut total et par km

Pour les transports à vide, la taxe est calculée sur le poids net du véhicule.

Pour les véhicules immatriculés en Turquie qui transitent par la Roumanie (7000 autorisations spéciales par année) le tarif est de DM10.40/véhicule/heure

Le tarif appliqué aux véhicules immatriculés en Allemagne ayant une autorisation pour le transport international de marchandises exonéré de taxes routières est de DM36.20. Ceci est valable pour l'aller-retour.

### b) Taxe sur le chiffre d'affaires

### c) Taxes pour excès de poids et de volume

### d) Taxe sur les carburants

### e) Péages

### f) Redevances pour les formalités douanières

### g) Taxes de parking

### a) Road tax

Unless otherwise provided for by bilateral agreements, the following road tax is payable by operators of foreign-registered goods vehicles entering Romania:

US\$0.023 per tonne of gross weight per km

For empty vehicles, the above-mentioned road tax is calculated on the net weight of the vehicle.

Vehicles registered in Turkey in transit through Romania (7000 special permits per annum) are subject to a tax of DM10.40/vehicle/hour

The tariff applied to vehicles registered in Germany which have authorisations for the international transport of goods exempted from road taxes is DM36.20. This is valid for the return trip.

### b) Turnover tax

### c) Fees for excess weight and dimensions

### d) Fuel tax

### e) Tolls

### f) Fees for customs clearance

### g) Parking fees

## RUSSIE - RUSSIA

Actuellement, des nouveaux taux de taxe sur les véhicules immatriculés à l'étranger sont à l'étude.

At present, new rates of road tax to be levied on foreign-registered vehicles are under consideration.

### a) Taxes de surcharge

### a) Fees for excess weight

## SUÈDE - SWEDEN

### a) Taxe journalière

En vertu des accords de réciprocité, la plupart des camions étrangers sont exempts de toute taxe pendant une période égale à la période correspondante libre de taxes accordée à des camions suédois dans le pays étranger concerné. La période ne doit pas dépasser une année. Dans les autres cas, les camions étrangers (ou les remorques) sont passibles d'une taxe comme suit:

<i>Poids total autorisé (kg)</i>	<i>Taxe journalière (SEK)</i>
6001 - 10000	10
10001 - 15000	18
15001 - 20000	42
plus de 20000	50

### b) TVA

### c) Droits d'usage (Eurovignette)

### a) Tax per day

As a result of reciprocal agreements, most foreign lorries are exempt from tax during a period equal to the corresponding tax-free period for Swedish lorries in the foreign country concerned. The period must not exceed one year. In other cases, foreign lorries (or trailers) are subject to tax as follows:

<i>Total permitted Weight (kg)</i>	<i>Tax per day (SEK)</i>
6001 - 10000	10
10001 - 15000	18
15001 - 20000	42
Over 20000	50

### b) VAT

### c) Road user charge (Eurovignette)

## SLOVAQUIE - SLOVAKIA

- |  |   |
|--|---|
| <b>a) Taxe de circulation</b>                        | <b>a) Road tax</b>                              |
| <b>b) TVA</b>  | <b>b) VAT</b>                                   |
| <b>c) Droits d'usage, autoroutes</b>                 | <b>c) User charges, motorways</b>               |
| <b>d) Taxes de surcharge</b>                         | <b>d) Fees for excess weight and dimensions</b> |
| <b>e) Redevances pour les contrôles vétérinaires</b> | <b>e) Dues for veterinary checks</b>            |

## SLOVÉNIE - SLOVENIA

### a) Taxe de circulation

1. Les véhicules immatriculés dans des pays qui n'ont pas conclu un accord bilatéral avec la Slovénie et pour lesquels une autorisation doit être demandée aux services douaniers à la frontière slovène, sont soumis à la taxe suivante:

PTC de 15t maximum US\$ 0.03/tonne brute\*/km  
PTC de plus de 15t US\$ 0.041/tonne brute\*/km

+ une surtaxe de 20%

2. Les véhicules immatriculés dans des pays qui ont conclu des accords bilatéraux avec la Slovénie et ayant une autorisation de circulation sont soumis à la taxe suivante:

PTC de 15t maximum US\$ 0.003/tonne brute\*/  
PTC de plus de 15t US\$ 0.0041/tonne brute\*/

\* Tonne brute: tare du véhicule plus charge transportée, mais au minimum la charge maximale autorisée plus le propre poids du véhicule.

3. Selon les termes de certains accords bilatéraux, les transporteurs en provenance des pays concernés ne sont pas soumis à la taxe de circulation (p.ex. Hongrie).

### b) Taxe de transit

Une taxe, aux mêmes tarifs que la taxe de circulation ci-dessus, est perçue pour les voyages en transit par la Slovénie, y compris pour les véhicules circulant à vide.

### c) Péages autoroutiers

### d) Taxes de parking - zones douanières

### a) Road tax

1. Vehicles registered in countries which have not signed a bilateral agreement with Slovenia and for which an authorisation must be obtained from the customs authorities at the Slovenian border, are subject to the following tax:

GVW of up to 15t US\$ 0.03/gross tonne\*/km  
GVW of over 15t US\$ 0.041/gross tonne\*/km

+ 20% surcharge

2. Vehicles registered in countries which have signed bilateral agreements with Slovenia and which are covered by an authorisation, are subject to the following tax:

GVW of up to 15t US\$ 0.003/gross tonne\*/km  
GVW of over 15t US\$ 0.0041/gross tonne\*/km

\* Gross tonne: vehicle tare plus load carried, but at least the value corresponding to the maximum authorised load plus the vehicle's own weight.

3. Under the terms of certain bilateral agreements, hauliers from the countries concerned are not subject to road tax (e.g. Hungary).

### b) Transit tax

A tax, at the same rates as the road tax mentioned above, is payable for vehicles in transit through Slovenia, including vehicles travelling empty.

### c) Motorway tolls

### d) Parking fees - customs areas

## TUNISIE - TUNISIA

### Taxe de compensation

### Compensation tax

## TURQUIE - TURKEY

### a) Taxe de transit

Le transport par route de marchandises en transit par la Turquie est taxé de la manière suivante:

1. véhicules immatriculés dans des pays ayant conclu un accord bilatéral
  - DM 0.02 par tonne de PTC/km;
  - DM 0.01 par véhicule/km pour les véhicules à vide (poids net).
2. véhicules immatriculés dans des pays n'ayant pas conclu d'accord bilatéral
  - les montants ci-dessus sont multipliés par 2.

### b) Taxes de surcharge

### a) Transit tax

The transport by road of goods in transit through Turkey is taxed as follows:

1. vehicles registered in countries which have concluded a bilateral agreement
  - DM 0.02 per tonne of GVW/km;
  - DM 0.01 per vehicle/km for empty vehicles (net weight).
2. vehicles registered in countries which have not concluded a bilateral agreement
  - the above amounts are multiplied by 2.

### b) Fees for excess weight

## UKRAINE - UKRAINE

### a) Taxe de circulation

### b) Taxe écologique

### c) Taxes de surcharge

### a) Road tax

### b) Environmental tax

### c) Fees for excess weight

## OUZBÉKISTAN - UZBEKISTAN

### a) Taxe d'entrée

La taxe d'entrée en République d'Ouzbékistan sans les autorisations requises est fixée à US\$400, taxes douanières et de visa non comprises.

### b) Taxes de surcharge

### a) Entry tax

The tax for entry into the Republic of Uzbekistan without the relevant authorisation is US\$400, not including visa and customs taxes.

### b) Fees for excess weight

## YUGOSLAVIE - YUGOSLAVIA

### a) Taxe de circulation

Les véhicules immatriculés dans des pays ayant conclu des accords bilatéraux avec la Yougoslavie et ayant une autorisation de circulation sont soumis à la taxe suivante:  
- pour les camions, remorques, semi-remorques quel que soit leur poids total: US\$0.003 par tonne brute\*/km

\* Tonne brute: tare du véhicule plus charge transportée, mais au minimum la charge maximale autorisée + le poids propre du véhicule (= 0 pour retour à vide).

La même taxe est perçue pour le voyage en transit par la Yougoslavie.

Les véhicules n'ayant pas obtenu d'autorisation de circuler (voyages dépassant le contingent fixé par l'accord bilatéral), doivent acquitter la taxe ci-dessus majorée de 50%. Les véhicules en provenance de pays n'ayant pas conclu d'accord bilatéral acquitteront une contribution majorée de 20%.

### b) Péages autoroutiers

### a) Road tax

Vehicles registered in countries which have signed bilateral agreements with Yugoslavia and covered by an authorisation, are liable to the following tax:  
- for trucks, trailers, semi-trailers regardless of their total weight: US\$0.003 per gross tonne\*/km;

\* Gross tonne: vehicle tare plus load carried, but at least the value corresponding to the maximum authorised load plus vehicle's own weight (= 0 for empty return).

The same tax is payable for vehicles in transit through Yugoslavia.

Vehicles which are not covered by an authorisation (transport operations in excess of the quota fixed by bilateral agreement) must pay the above-mentioned tax with a 50% surcharge. Vehicles from countries which have not concluded a bilateral agreement pay the tax plus a surcharge of 20%.

### b) Motorway tolls

## RECENT TRENDS IN ROAD ACCIDENTS IN ECMT COUNTRIES

[CEMT/CM(99)18]

This note is based on the statistical data collected from the Member countries, for the leaflet «Trends in the Transport Sector 1970-1997 » as well as a specific ECMT road safety questionnaire.

In this regard it should be stated that:

National responses to the two questionnaires differ slightly. The responses to the questionnaire on road safety were used as far as possible since they are more detailed.

It is difficult to make long term comparisons due to the fact that data from different countries are available from different periods. Moreover, a breakdown was possible only for 24 countries in 1997.

**The most striking fact is that over 100 000 people were killed in 1997 on the territory covered by ECMT. In addition there were over 2 million people injured.**

Over a long time period, it is clear that although traffic levels have risen sharply, the number of people killed on the roads of **Western Europe** annually has fallen by more than 41 per cent since 1972.

**In Central and Eastern Europe and the Baltic States**, the long-term trends show an increase of 35 per cent in the number of fatalities since 1972.

Cette note repose sur les données statistiques reçues des pays Membres en réponse à deux questionnaires, l'un concernant «L'évolution des transports 1970-1997», l'autre portant spécifiquement sur la sécurité routière.

Il convient d'observer que :

Les réponses nationales varient quelque peu selon le type de questionnaire. Celles provenant du questionnaire sur la sécurité routière ont été utilisées de préférence car elles sont plus détaillées.

Les périodes couvertes par les données étant différentes selon les pays, il est difficile de procéder à une analyse des tendances à long terme. De plus, il n'a en fait été possible d'établir une ventilation que pour 24 pays sur l'année 1997.

**Le fait le plus saillant est que plus de 100 000 personnes ont été tuées sur l'ensemble du territoire couvert par la CEMT en 1997. Plus de 2 millions ont été blessées.**

Sur une longue période, force est de constater, alors même que la circulation a fortement augmenté, que le nombre annuel de tués sur les routes d'**Europe de l'Ouest** a diminué de plus de 41 pour cent par rapport à 1972.

**En Europe centrale et orientale et dans la région de la Baltique**, les tendances à long terme montrent une augmentation de 35 pour cent du nombre de décès depuis 1972.

The overall picture to emerge from a review of road accidents in 1997 shows contrasting situations, with some countries continuing the downward trends, while others have seen an increase in the number of casualties. The heavy toll exacted on the roads remains far too high, both in human terms and in terms of the cost to the economy and society. It is therefore more important than ever to remain vigilant in applying measures already implemented and in promoting new effective actions to improve road safety.

Le bilan qui ressort de l'étude des accidents de la route en 1997 apparaît quelque peu contrasté: certains pays ont poursuivi la tendance à la baisse, alors que d'autres voyaient le nombre des victimes augmenter. Le tribut payé à la route apparaît toujours beaucoup trop élevé tant sur le plan humain qu'économique et social. Il s'avère donc plus que jamais nécessaire de veiller sans relâche à l'application des mesures déjà mises en œuvre et de promouvoir de nouvelles actions afin de combattre efficacement l'insécurité routière.

The following country codes are used in this report: Dans ce rapport sont utilisés les codes suivants pour les pays:

A	Austria	A	Autriche
ALB	Albania	ALB	Albanie
AZE	Azerbaijan	AZE	Azerbaïdjan
B	Belgium	B	Belgique
BG	Bulgaria	BG	Bulgarie
BIH	Bosnia Herzegovina	BIH	Bosnie Herzégovine
BLR	Belarus	BLR	Belarus
CH	Switzerland	CH	Suisse
CZ	Czech Republic	CZ	République Tchèque
D	Germany	D	Allemagne
DK	Denmark	DK	Danemark
E	Spain	E	Espagne
EST	Estonia	EST	Estonie
F	France	F	France
FIN	Finland	FIN	Finlande
GR	Greece	GR	Grèce
H	Hungary	H	Hongrie
HR	Croatia	HR	Croatie
I	Italy	I	Italie
IRL	Ireland	IRL	Irlande
L	Luxembourg	L	Luxembourg
LT	Lithuania	LT	Lituanie
LV	Latvia	LV	Lettonie
MD	Moldova	MD	Moldova
MKD	F.Y.R.O.M.	MKD	E.R.Y.M.
N	Norway	N	Norvège
NL	Netherlands	NL	Pays-Bas
P	Portugal	P	Portugal
PL	Poland	PL	Pologne
RO	Romania	RO	Roumanie
RUS	Russian Federation	RUS	Fédération de Russie
S	Sweden	S	Suède
SK	Slovak Republic	SK	République Slovaque
SLO	Slovenia	SLO	Slovénie
TR	Turkey	TR	Turquie
UK	United Kingdom	UK	Royaume-Uni
UKR	Ukraine	UKR	Ukraine
AUS	Australia	AUS	Australie
CDN	Canada	CDN	Canada
JPN	Japan	JAP	Japon
NZL	New Zealand	NZL	Nouvelle Zélande
USA	United States of America	USA	Etats-Unis d'Amérique
MA	Morocco	MA	Maroc

**Table 1a. Trends in the number of fatalities, 1985 to 1997**  
**Tableau 1a. Evolution de 1985 à 1997 du nombre de tués**

	1985	1990	1995	1996	1997	95/90	96/95	97/96	97/90
A	1 477	1 690	1 210	1 027	1 105	-28.4	-15.1	7.6	-34.6
ALB		nd	306 e	260 e	270 e		-15.0	3.8	
AZE		1 264 e	990 e	760 e	610 e	-21.7	-23.2	-19.7	-51.7
B	1 801	1 976	1 449	1 356	1 364	-26.7	-6.4	0.6	-31.0
BG		1 567	1 264	1 014	915	-19.3	-19.8	-9.8	-41.6
BIH		nd	222 e	200 e	230 e		-9.9	15.0	
BLR		2 264 e	1 781	1 727	1 726	-21.3	-3.0	-0.1	-23.8
CH	908	954	692	616	587	-27.5	-11.0	-4.7	-38.5
CZ		1 307	1 588	1 568	1 415	21.5	-1.3	-9.8	8.3
D	8 400	11 046	9 454	8 758	8 549	-14.4	-7.4	-2.4	-22.6
DK	772	634	582	514	489	-8.2	-11.7	-4.9	-22.9
E	6 374 *	9 032 *	5 751	5 483	5 604	-36.3	-4.7	2.2	-38.0
EST		436	332	213	279	-23.9	-35.8	31.0	-36.0
F	11 387 *	11 215 *	8 891 *	8 541 *	8 444 *	-20.7	-3.9	-1.1	-24.7
FIN	541	649	441	404	438	-32.0	-8.4	8.4	-32.5
GR	1 908	2 224	2 040 e	2 076 e	2 140 e	-8.3	1.8	3.1	-3.8
H		2 432	1 589	1 370	1 391	-34.7	-13.8	1.5	-42.8
HR		1 360	800	721	714	-41.2	-9.9	-1.0	-47.5
I	7 629 *	7 084 *	6 968 *	8 051 *	8 094 *	-1.6	15.5	0.5	14.3
IRL	410	478	440 e	450 e	470 e	-7.9	2.3	4.4	-1.7
L	79	70	68	72	60 e	-2.9	5.9	-16.7	-14.3
LT		933	672	667	730 e	-28.0	-0.7	9.4	-21.8
LV		946 *	660 *	594 *	567 *	-30.2	-10.0	-4.5	-40.1
MD		756 e	544	554	554 a	-28.0	1.8	0.0	-26.7
MKD		207 e	179 e	154 e	154 a	-13.5	-14.0	0.0	-25.6
N	402	381	305	255	303	-19.9	-16.4	18.8	-20.5
NL	1 438	1 376	1 334	1 180	1 343	-3.1	-11.5	13.8	-2.4
P	2 438 *	3 017 *	2 711 *	2 730 *	2 521 *	-10.1	0.7	-7.7	-16.4
PL		7 333	6 900	6 359	7 310	-5.9	-7.8	15.0	-0.3
RO		3 782	2 863	2 845	2 860 e	-24.3	-0.6	0.5	-24.4
RUS		35 366	32 791	29 468	27 670 e	-7.3	-10.1	-6.1	-21.8
S	808	772	572	537	541	-25.9	-6.1	0.7	-29.9
SK		362 e	690 e	620 e	790 e	90.6	-10.1	27.4	118.2
SLO		517	415	389	358	-19.7	-6.3	-8.0	-30.8
TR	7 229 *	8 232 *	8 217 *	7 056 *	6 735 *	-0.2	-14.1	-4.5	-18.2
UK	5 342 *	5 217 *	3 621 *	3 598 *	3 599 *	-30.6	-0.6	0.0	-31.0
UKR		9 616 e	7 530 e	6 600 e	6 600 a	-21.7	-12.4	0.0	-31.4
CEMT (1)		136 495	116 862	108 787	107 529	-14.4	-6.9	-1.2	-21.2
AUS	2 942	2 337	2 013	1 970	1 970 a	-13.9	-2.1	0.0	-15.7
CDN	4 365	3 960	3 347	3 082	3 055	-15.5	-7.9	-0.9	-22.9
JAP	12 039 *	14 595 *	16 282 e	15 176 e	14 630 e	11.6	-6.8	-3.6	0.2
NZL		729	582	514	514 a	-20.2	-11.7	0.0	-29.5
USA	43 825	44 599	41 817 e	41 907 e	41 907 a	-6.2	0.2	0.0	-6.0
Associés		66 220	64 041	62 649	62 076	-3.3	-2.2	-0.9	-6.3
MA	2 112	2 777	3 623	2 807	2 807 a	30.5	-22.5	0.0	1.1
Observateurs	2 112	2 777	3 623	2 807	2 807	30.5	-22.5	0.0	1.1

a. Previous year.  
e. Estimate.

nd. Not available.  
p. Provisional.

a. Année précédente.  
e. Estimation.

nd. Non disponible  
p. Provisoire.

\*. Figures adjusted to the standard definition: death within 30 days = number of killed x correction factor.

(1). Georgia and Iceland are not included

\*. Chiffres ajustés à la définition type: décès dans les 30 jours = tués x facteur de correction.

(1). La Géorgie et l'Islande ne sont pas incluses.

Source: ECMT, 1999.



**Table 1b. Trends in the number of casualties (killed + injured) from 1985 to 1997**

**Tableau 1b. Evolution de 1985 à 1997 du nombre de victimes (tués + blessés)**

	1985	1990	1995	1996	1997	95/90	96/95	97/96	97/90
A	61 338	62 041	51 974	50 700	52 696	-16.2	-2.5	3.9	-15.1
ALB		nd	639 e	520 e	590 e		-18.6	13.5	
AZE		4 827 e	3 776 e	3 180 e	2 890 e	-21.8	-15.8	-9.1	-40.1
B	76 315	88 160	71 754	68 259	70 907	-18.6	-4.9	3.9	-19.6
BG		8 389	9 981	8 329	7 922	19.0	-16.6	-4.9	-5.6
BIH		nd	2 683 e	2 490 e	4 540 e		-7.2	82.3	
BLR		11 572 e	9 238	9 229	8 880	-20.2	-0.1	-3.8	-23.3
CH	30 735	30 197	29 451	27 155	27 873	-2.5	-7.8	2.6	-7.7
CZ		29 063	38 555	39 311	38 205	32.7	2.0	-2.8	31.5
D	430 495	521 977	521 595	501 916	509 643	-0.1	-3.8	1.5	-2.4
DK	14 627	11 287	10 573	10 322	10 106	-6.3	-2.4	-2.1	-10.5
E	131 703	162 424	127 183	129 640	130 851	-21.7	1.9	0.9	-19.4
EST		2 815	2 229	1 760	2 115	-20.8	-21.0	20.2	-24.9
F	281 192	236 149	189 815	178 197	177 567	-19.6	-6.1	-0.4	-24.8
FIN	10 104	13 407	10 632	9 703	9 395	-20.7	-8.7	-3.2	-29.9
GR	32 177	31 145	33 220 e	33 730 e	35 990 e	6.7	1.5	6.7	15.6
H		39 428	27 476	25 309	26 148	-30.3	-7.9	3.3	-33.7
HR		21 151	18 465	16 903	16 948	-12.7	-8.5	0.3	-19.9
I	223 232	227 645	266 083	270 406	277 188	16.9	1.6	2.5	21.8
IRL	8 228	9 907	13 110 e	13 770 e	13 590 e	32.3	5.0	-1.3	37.2
L	2 076	1 729	1 480	1 345	1 330 e	-14.4	-9.1	-1.1	-23.1
LT		6 424	5 180	5 890	6 920 e	-19.4	13.7	17.5	7.7
LV		5 592	5 514	4 874	5 199	-1.4	-11.6	6.7	-7.0
MD		4 656	3 613	4 271	4 271 a	-22.4	18.2	0.0	-8.3
MKD		3 273 e	3 600 e	3 551 e	3 551 a	10.0	-1.4	0.0	8.5
N	12 304	11 860	12 061	12 280	12 126	1.7	1.8	-1.3	2.2
NL	49 888	15 028	13 022	13 146	12 881	-13.3	1.0	-2.0	-14.3
P	41 435	65 650	67 912	68 727	68 455	3.4	1.2	-0.4	4.3
PL		66 944	77 126	77 778	90 479	15.2	0.8	16.3	35.2
RO		11 919	10 561	10 349	10 310 e	-11.4	-2.0	-0.4	-13.5
RUS		250 205	183 926	178 378	205 590 e	-26.5	-3.0	15.3	-17.8
S	21 479	23 269	21 745	21 347	21 821	-6.5	-1.8	2.2	-6.2
SK		10 996 e	12 230 e	12 260 e	13 360 e	11.2	0.2	9.0	21.5
SLO		7 052	8 416	8 191	8 996	19.3	-2.7	9.8	27.6
TR	56 100	86 345	129 734	110 027	111 327	50.3	-15.2	1.2	28.9
UK	326 161	341 141	310 506	320 302	327 544	-9.0	3.2	2.3	-4.0
UKR		63 100 e	46 943 e	50 700 e	50 700 a	-25.6	8.0	0.0	-19.7
CEMT(1)		2 486 767	2 352 001	2 304 245	2 378 904	-5.4	-2.0	3.2	-4.3
AUS	32 222	27 339	23 426 a	23 426 a	23 426 a	-14.3	0.0	0.0	-14.3
CDN	267 919	266 640	245 147	233 967	233 967 a	-8.1	-4.6	0.0	-12.3
JAP	690 607	801 522	933 360 e	952 150 e	952 150 a	16.4	2.0	0.0	18.8
NZL		18 427	17 452	15 309	15 309 a	-5.3	-12.3	0.0	-16.9
USA	3 388 825	3 368 000	3 506 817 e	3 552 907 e	3 552 907 a	4.1	1.3	0.0	5.5
Associés		4 481 928	4 726 202	4 777 759	4 777 759	5.5	1.1	0.0	6.6
MA	35 381	50 078	64 245	60 092	60 092 a	28.3	-6.5	0.0	20.0
Observateurs	35 381	50 078	64 245	60 092	60 092	28.3	-6.5	0.0	20.0

a. Previous year.  
e. Estimate.

nd. Not available.  
p. Provisional.

a. Année précédente.  
e. Estimation.  
p. Provisoire.

nd. Non disponible  
p. Provisoire.

\*. Figures adjusted to the standard definition: death within 30 days = number of killed x correction factor.

(1). Georgia and Iceland are not included

\*. Chiffres ajustés à la définition type: décès dans les 30 jours = tués x facteur de correction.

(1). La Géorgie et l'Islande ne sont pas incluses.

Source: ECMT, 1999.

Table 2. General indicators / Tableau 2. Indicateurs généraux.

1997	Killed/Tués (unadjusted/ non corrigés) A	Correction factor/ Facteur de correction B	Death within 30 days/Décès 30 jours C=AxB	Casualties (K+INJ)/ Victimes (T+BL)	Accidents causing casualties/ Accidents corporels	Cars/Voitures x 1 000	Total road motor vehicles/Total véhicules routiers automobiles x 1 000	Population x 1 000	Area in km2/ Superficie en km2
A	1 105	1.000	1 105	52 696	39 700 e	3 783	4 093	8 066 a	83 850
ALB	270 e	1.000	270 e	590 e	370 e	97 a	131 a	3 670 a	28 748
AZE	610 e	1.000	610 e	2 890 e	1 990 e	273 a	356 a	7 555 a	86 600
B	1 364	1.000	1 364	70 907	49 780 e	4 415	5 115	10 181 e	30 514
BG	915	1.000	915	7 922	6 018	1 730	2 961	8 277	110 994
BIH	230 e	1.000	230 e	4 540 e	20 380 e	96 a	107 a	3 645 a	51 129
BLR	1 726	1.000	1 726	8 880	6 900	1 122	1 503	10 282 a	207 600
CH	587	1.000	587	27 873	22 076	3 323	3 626	7 094	41 293
CZ	1 415	1.000	1 415	38 205	28 376	3 547	3 949	10 295	67 900
D	8 549	1.000	8 549	509 643	380 835	41 327	45 186	82 057	356 854
DK	489	1.000	489	10 106	8 047	1 846	2 143	5 284 e	43 080
E	5 604	1.000	5 604	130 851	86 067	15 297	18 959	39 323 e	504 750
EST	279	1.000	279	2 115	1 489	428	511	1 454	45 000
F	7 989	1.057	8 444 *	177 567	125 202	25 930	31 267	58 723	543 963
FIN	438	1.000	438	9 395	6 980	1 948	2 242	5 147	338 145
GR	2 140 e	1.000	2 140 e	35 990 e	24 680 e	1 959 a	2 808 a	10 498 e	131 990
H	1 391	1.000	1 391	26 148	19 097	2 297	2 658	10 135	93 030
HR	714	1.000	714	16 948	11 652	941	1 042	4 500	56 538
I	6 226	1.300	8 094 *	277 188	190 031	31 000	34 893	57 563 e	301 278
IRL	470 e	1.000	470 e	13 590 e	8 590 e	946 a	1 089 a	3 661 e	70 000
L	60 e	1.000	60 e	1 330 e	1 010 a	232 a	280 a	424 e	2 587
LT	730 e	1.000	730 e	6 920 e	5 320 e	742 a	872 a	3 712 a	65 200
LV	525	1.080	567 *	5 199	3 925	432	577	2 480	64 000
MD	554 a	1.000	554 a	4 271 a	3 208 a	167 a	235 a	4 320 a	33 853
MKD	154 a	1.000	154 a	3 551 a	2 618 a	275 e	303 e	1 983 a	25 713
N	303	1.000	303	12 126	8 770 e	2 170	2 425	4 393 a	323 895
NL	1 343	1.000	1 343	12 881	11 238	5 931	7 043	15 700	41 509
P	1 939	1.300	2 521 *	68 455	49 417	4 272	5 656	9 950 e	89 106
PL	7 310	1.000	7 310	90 479	66 580 e	8 533	10 196	38 650 e	312 683
RO	2 860 e	1.000	2 860 e	10 310 e	8 800 e	2 433 a	3 144 a	22 582 a	238 400
RUS	27 670 e	1.000	27 670 e	205 590 e	156 520 e	15 814 a	29 924 a	148 000 a	17 075 000
S	541	1.000	541	21 821	15 752	3 703	4 040	8 848	486 661
SK	790 e	1.000	790 e	13 360 e	9 490 e	1 111 a	1 325 a	5 343	49 000
SLO	358	1.000	358	8 996	6 947	765	834	1 986	20 226
TR	5 181	1.300	6 735 *	111 327	387 530	4 153	7 776	62 000	779 452
UK	3 599	1.000	3 599	327 544	240 046	22 867	26 973	58 105 e	240 978
UKR	6 600 a	1.000	6 600 a	50 700 a	40 100 a	4 736 a	4 736 a	50 639 a	603 700
CEMT(1)	103 028		107 529	2 378 904	2 055 531	220 641	270 978	786 525	23 645 219
AUS	1 970 a	1.000	1 970 a	23 426 a	nd	8 629 a	10 948 a	18 532 e	7 682 000
CDN	3 055	1.000	3 055	233 967 a	158 974 a	13 217 a	16 921 a	30 287 e	9 360 527
JAP	11 254 e	1.300	14 630 e	952 150 a	771 080 a	47 000 a	69 244 a	126 166 e	377 727
NZL	514 a	1.000	514 a	14 792 a	10 564 a	2 380	2 380	3 761 e	270 000
USA	41 907 a	1.000	41 907 a	3 552 907 a	2 292 351 a	138 203 a	203 659 a	266 792 e	9 359 373
Associés	58 700		62 076	4 777 242	3 232 969	209 429	303 152	445 538	27 049 627
MA	2 807 a	1.000	2 807 a	60 092 a	38 646 a	1 021 a	1 384 a	26 386 a	710 854
Observateurs	2 807		2 807	60 092	38 646	1 021	1 384	26 386	710 854

a. Previous year / Année précédente.

nd. Not available / Non disponible.

e. Estimate / Estimation.

(1). Georgia and Iceland are not included / La Géorgie et l'Islande ne sont pas incluses.

\*. Figures adjusted to the standard definition: death within 30 days = killed x correction factor / Chiffres ajustés à la définition type: décès dans les 30 jours = tués x facteur de correction.

Source: ECMT, 1999.

**Table 3. Selected ratios / Tableau 3. Selection de ratios**

1997	Population per km2/ Nombre d'habitants au km2	Number of road motor vehicles per thousand population/ Nombre de véhicules routiers automobiles par millier d'habitants	Total number of deaths per million population/Nombre total de décès par million d'habitants	Total number of deaths per million road motor vehicles/ Nombre total de décès par million de véhicules routiers automobiles	Number of casualties per thousand accidents causing casualties/ Nombre de victimes par millier d'accidents corporels
A	96	507	137	270	1 327
ALB	128	36	74	2 061	1 595
AZE	87	47	81	1 713	1 452
B	334	503	134	267	1 424
BG	75	358	111	309	1 316
BIH	71	29	63	2 150	223
BLR	50	146	168	1 148	1 287
CH	172	511	83	162	1 263
CZ	152	384	137	358	1 346
D	230	551	104	189	1 338
DK	123	406	93	228	1 256
E	78	482	143	296	1 520
EST	32	352	192	546	1 420
F	108	533	144	270	1 418
FIN	15	436	85	195	1 346
GR	80	268	204	762	1 458
H	109	262	137	523	1 369
HR	80	232	159	685	1 455
I	191	606	141	232	1 459
IRL	52	298	128	432	1 582
L	164	660	142	214	1 317
LT	57	235	197	837	1 301
LV	39	233	229	983	1 325
MD	128	54	128	2 357	1 331
MKD	77	153	78	508	1 356
N	14	552	69	125	1 383
NL	378	449	86	191	1 146
P	112	568	253	446	1 385
PL	124	264	189	717	1 359
RO	95	139	127	910	1 172
RUS	9	202	187	925	1 314
S	18	457	61	134	1 385
SK	109	248	148	596	1 408
SLO	98	420	180	429	1 295
TR	80	125	109	866	287
UK	241	464	62	133	1 365
UKR	84	94	130	1 394	1 264
CEMT(1)	33	345	137	397	1 157
AUS	2	591	106	180	nd
CDN	3	559	101	181	1 472
JAP	334	549	116	211	1 235
NZL	14	633	137	216	1 449
USA	29	763	157	206	1 550
Associés	16	680	139	205	1 478
MA	37	53	106	2 028	1 555
Observateurs	37	52	106	2 028	1 555

nd. Not available.

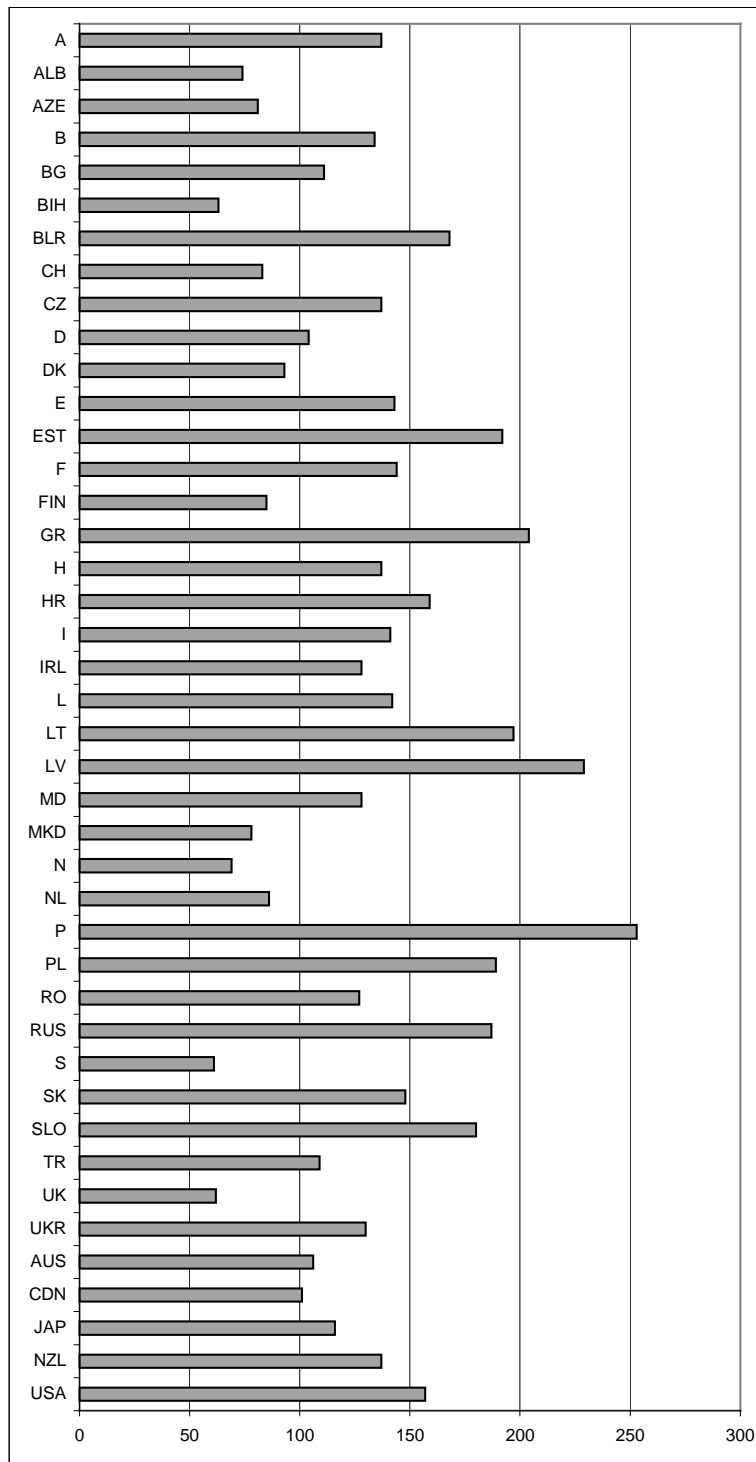
(1). Georgia and Iceland are not included

nd. Non disponible.

(1). La Géorgie et l'Islande ne sont pas incluses.

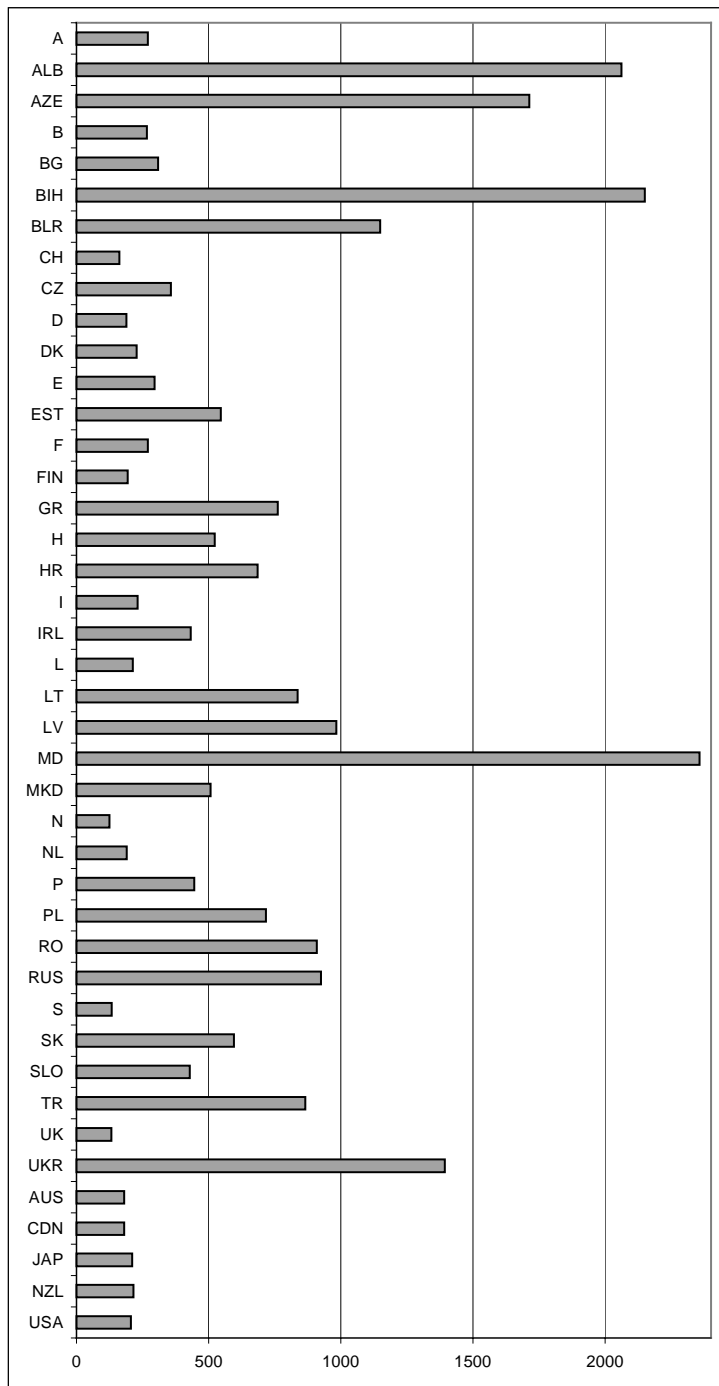
Source: ECMT, 1999.

**Total number of deaths per million population**  
**Nombre total de décès par million d'habitants**  
**1997**



Source: ECMT, 1999.

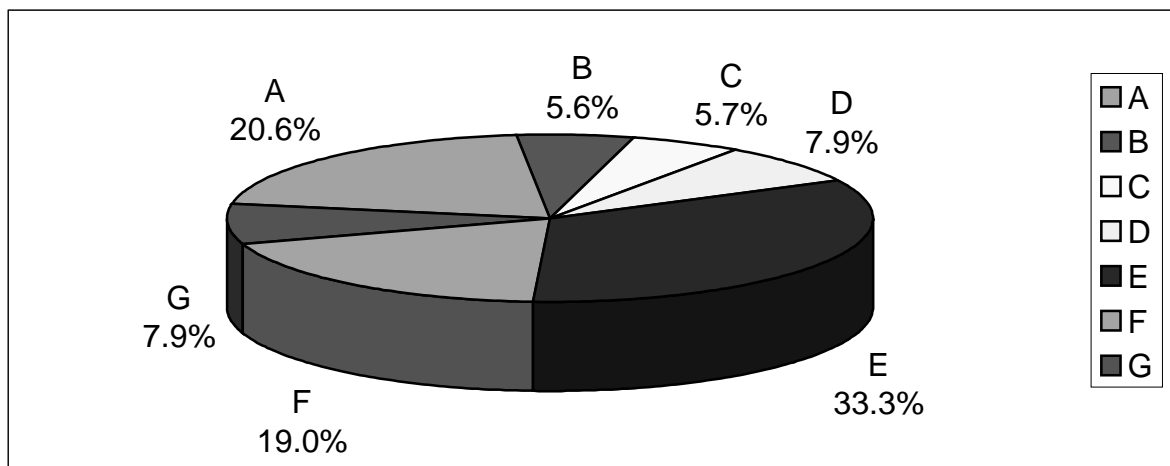
**Total number of deaths per million road motor vehicles**  
**Nombre total de décès par million de véhicules routiers**  
**1997**



Source: ECMT, 1999.

**Breakdown of number of fatalities (unadjusted) by road-user category**  
**Répartition des tués (non ajustés) par catégorie d'usagers**  
**1997**

Pedestrians / Piétons	A	12 360	20.6%
On bicycles / Cycles	B	3 380	5.6%
on mopeds / Cyclomoteurs	C	3 400	5.7%
On motorcycles / Motocycles	D	4 712	7.9%
In cars (drivers) / Voitures (conducteurs)	E	19 924	33.3%
In cars (passengers) / Voitures (passagers)	F	11 375	19.0%
Others / Autres	G	4 739	7.9%
<b>Total</b>		<b>59 890</b>	<b>100.0%</b>



1- For 24 countries for which the actual breakdown for 1997 is available:  
 Pour 24 pays de la CEMT pour lesquels les données en 1997 sont disponibles:

A, B, BG, BLR, CH, CZ, D, DK, E, EST, F, FIN, H, HR, I, LV, N, NL, P, PL, S, SLO, TR, UK.

Source: ECMT, 1999.

## **CONCLUSIONS AND RECOMMENDATIONS ON SCRAPPAGE SCHEMES AND THEIR ROLE IN IMPROVING THE ENVIRONMENTAL PERFORMANCE OF THE CAR FLEET**

[CEMT/CM(99)26/FINAL]

Several countries within and outside Europe have implemented car scrappage schemes during the 1990s. Incentives for scrapping old cars were given by Greece (1991-1993), Hungary (1993 up to the present) Denmark (1994-1995), Spain (1994 up to the present), France (1994-1996), Ireland (1995-1997), Norway (1996) and Italy (1997-1998). Various local governments in the United States of America and the Canadian Province of British Columbia have also implemented such schemes.

All government and industry sponsored car scrappage schemes implemented to date put improvement of the environmental performance of the car fleet among their main goals. The present report attempts to assess car scrappage schemes mainly according to this criteria. It includes some additional analysis of the impact of scrappage schemes on vehicle manufacturing industry, on markets for other durable goods and on the benefits of improved vehicle safety. Surprisingly few of the scrappage schemes examined included a quantitative assessment of their impact on the environment or their cost effectiveness with regard to environmental protection. Most assessments were limited to the impact of schemes on the automobile manufacturing industry and in some cases on GDP and employment.

### **General conclusions**

Scrapage schemes have two main possible impacts on the environment. The first is positive: they may reduce the load of atmospheric emissions caused by the car fleet since they substitute older, more polluting vehicles with newer, cleaner ones. The second is negative: they shorten the average car's life and, therefore, if the schemes are permanent or repeated over time, they increase the amount of energy and materials used and emissions caused by all the processes involved in car construction, dismantling, scrapping and recycling.

As the actual difference in environmental performance between some older vehicles and most newer ones is substantial, the positive effect is likely to prevail for most of the schemes implemented. Newer vehicles are also more durable and maintain design emissions levels over greater mileages than older vehicles. The increasing incorporation of on-board diagnostics, which should reduce the likelihood of new vehicles performing below design emissions standards as they age, is also a positive factor. Scrapage schemes are likely to involve substantial reductions in emissions per km driven of hydrocarbons and carbon monoxide in particular. To a more limited extent, they may also reduce NO<sub>x</sub> emissions. The effects of scrappage schemes on greenhouse gas emissions are very uncertain, however, and may even be negative (i.e. they might increase the overall amount of CO<sub>2</sub> emitted). The sign and size of changes in CO<sub>2</sub> emissions will greatly depend on the detailed design of the schemes. Reductions in specific emissions of all kinds may also be partially off-set by rebound effects — consumers benefiting from cash-for-replacement schemes may take the opportunity to purchase a more powerful car and use the new vehicle more intensively.

The emission reduction achieved by *temporary* schemes will itself be temporary and the improvement achieved short-lived. The natural renewal rate of the fleet, without any incentives, would replace the same old vehicles in any case some two or three years later.

The possible gains from *permanent* scrappage schemes rely on improvements in average emissions from new generations of vehicles and engines. Scrappage programmes will achieve net environmental benefits only if *future* vehicles have emission rates substantially better than older models *and* if, at the same time, the environmental impact of vehicle construction and dismantling processes is reduced. The introduction of three-way catalytic converters resulted in significant reductions in specific emissions but technological improvements since then have resulted in only more modest reductions. The window of opportunity for achieving large benefits from scrappage schemes is therefore narrowing, as an increasing part of the existing fleet comprises vehicles equipped with catalysers. Some new technological breakthrough, for example one that reduces cold-start emissions, could alter this trend if commercialised in the future.

Assessments of scrappage schemes cannot be made only on the basis of emission standards or average emission factors for different model years, but depend on economic variables affecting the behaviour of car owners and on the cost of the scheme. Where the cost per tonne of pollutant reduced is high, other environmental policy measures should be considered instead of scrappage programmes. The structure of taxation in relation to the ownership and use of vehicles is a key element in determining the overall economic incentive for vehicle stock turnover. The cost-effectiveness of scrappage schemes may be undermined if they run counter to incentives arising from the existing structure of taxation (for example, if older vehicles pay lower annual vehicle charges than new cars).

Both the size of the emission reduction achieved and cost-effectiveness depend heavily on the detailed design of scrappage programmes.

### **Some lessons from the different types of programme implemented to date**

Two broad groups of scrappage schemes have been identified. Under the first kind, cash-for-scrappage, incentives are available *whatever the subsequent replacement decision* taken by the consumer. The second type of scheme, cash-for-replacement, provides an incentive payment that is *conditional* upon a specific kind of replacement vehicle being chosen (typically, but not necessarily, a new-model car).

When the selection of vehicles to be retired is made carefully, cash-for-scrappage schemes may achieve useful emission reductions at a reasonable cost, i.e. at a cost comparable to the main alternatives for reducing fleet emissions.

The number of vehicles retired by either type of scheme should not, however, go beyond *a limited number* of vehicles selected among the 'gross emitters' in the fleet. Otherwise the cost per tonne of emissions avoided increases considerably. Moreover, by bringing forward a large number of scrappage and replacement decisions, the schemes may cause considerable perturbations on the car market.

The cash-for-replacement schemes implemented up to the present time appear to have been much less cost-effective. In most cases, they constrained the consumer to purchase a new car. In doing so, they have excluded lower-income groups who cannot afford to purchase new cars even with an incentive bonus. This makes the schemes somewhat inequitable, but more importantly prevents them from attracting many of the oldest cars in the fleet, used typically by lower-income families, intensively, as their principal means of transport. These schemes, therefore, have *not* properly selected



the vehicles to be retired, leaving in use a large proportion of the 'gross emitters'. Moreover, higher payments are necessary to influence the decision to purchase a new car, rather than simply scrap a car (which might be replaced with a used car or not replaced at all). As a consequence, these schemes have a high average cost per tonne of pollution avoided and they do not compare favourably with other alternative policy tools on purely environmental grounds.

Timing is important. The available data suggest that the average fuel consumption of European new-model cars was higher in the early 1990s than during the second half of the 1980s. This implies that some of the cash-for-replacement schemes implemented in the early 1990s may have resulted in an *increase* in total CO<sub>2</sub> emissions. On the other hand, these schemes increased the percentage of small vehicles in total first registrations. This might have counterbalanced the increase in fuel consumption of the average car. The net effect on CO<sub>2</sub> emissions was of uncertain size and sign. Since the early 1990s, average CO<sub>2</sub> emissions from new cars have fallen back to near the low point recorded in the mid-1980s in most countries.

Cash-for-replacement schemes might have positive economic effects on the country that introduces them, particularly if it has a significant national car industry. The increase in new car sales might bring about an increase in GDP and employment. However, this increase will again be of only a temporary, short-term nature. It will also probably have some negative counter effects. First, it will involve a fall in sales following the end of the scheme and possibly just before a scheme is introduced and second, increased expenditure on cars will subtract from available income for purchases of other durable goods. The overall change in GDP and employment resulting from these effects is difficult to assess. Macroeconomic analysis is required and this should evaluate schemes over the mid to long term, extending the time frame beyond the simple positive short-term effect on car sales.

### **The possible uses of scrappage schemes in former socialist countries**

Most Central and Eastern European countries are currently experiencing steady growth in their car fleets with average growth rates considerably higher than in most West European countries. This means first of all, that during the current phase, most first-registrations in these countries do not concern the *replacement* of existing old vehicles. Instead they represent net additions to the fleet. As scrappage schemes aim to influence replacement decisions, their role - both in economic and environmental terms - will be more limited, compared to schemes introduced in Western economies.

On the other hand, although the Eastern fleets are rapidly changing in both quantitative and qualitative terms, there remain a rather large number of older cars manufactured in former socialist countries, whose environmental and safety performances are poor. Because of this, there may still be a potential role for instruments that accelerate vehicle retirement.

Income constraints make cash-for-replacement schemes particularly difficult to design successfully in the newer member countries. 'Gross emitters' are typically run by households on the lowest incomes, and the cost of a new car represents an even higher proportion of income for this segment than in Western Europe. There may be opportunities to introduce cash-for-replacement schemes for commercial and public vehicles. Enterprises, unlike households, have the financial capacity and longer-term planning horizons to make use of relatively small cash incentives, tax credits or depreciation allowances. Moreover, trucks and busses typically contribute an extremely large share of total fleet emissions in the early stages of fleet growth and economic restructuring.

Before targeting an acceleration of fleet renewal, the government of any country must ensure that the fundamental set of transport and environmental policies regulating emissions are already effectively implemented and enforced. These include an adequate framework of legislative and

economic instruments including registration documentation, fully implemented emissions regulations and their effective enforcement through pre-sales testing and after sales inspection and maintenance. Not all of the former socialist countries fulfil this condition. In Russia, for instance, inadequacies include emissions regulations that are not always enforced in manufacturing and insufficient inspection and maintenance capacities. Overall, there is a major failure to enforce environmental regulations. For countries such as Russia, incentives for accelerated vehicle retirement might become useful at some later stage after the fundamentals have been addressed, when they might be applied to specific urban areas with higher than average levels of motorization.

### **Other policy tools**

The specific aim of this report is to assess scrappage schemes. Other possible instruments for improving fleet environmental characteristics have been mentioned but not analysed. This does not mean that they are considered less useful. On the contrary, effective emissions control policies are prerequisite to the introduction of scrappage schemes. It was possible to implement the programmes evaluated only because of emissions regulations, which over the last twenty years have considerably reduced emissions from new cars and consequently significantly improved the average environmental performance of the fleet.

At least three different policy tools provide alternatives to scrappage schemes — in the sense that they may bring about the same qualitative changes in environmental impact. In some cases, they may also even result in an increase in first registrations.

First, scrappage incentives are ultimately just a way to change the relative prices of older cars with respect to newer models. The same effect may be obtained, in a permanent way, by changing the structure of annual vehicle taxation. German experience suggests that changing the structure of taxation to tax older cars more heavily than new ones, on the basis of emissions characteristics, can accelerate considerably the replacement of older cars with cleaner vehicles.

Second, an enhancement of inspection and maintenance programmes (in particular as concerns environmental requirements) can also render the operation of older cars more costly and will therefore encourage their replacement. Enhancing inspection and maintenance programmes may be particularly attractive because this approach leaves the owner of a vehicle that has failed an inspection to choose between replacing the car or repairing it, without changing relative market prices directly.

A final option that is worth considering before implementing a scrappage scheme is retrofitting. Retrofitting vehicles with catalysers or other emissions control systems or converting engines to run on alternative fuels can in some circumstances be more cost-effective than replacement. The potential safety benefit of replacement is, however, forgone.

## MONITORING OF CO<sub>2</sub> EMISSIONS FROM NEW CARS

[CEMT/CM(99)30]

### Ministers are asked to:

**Note** the report;

**Agree** to continue monitoring the CO<sub>2</sub> emissions of new passenger cars under the Joint Declaration with Industry until such time as the monitoring system under development by the European Commission is operational;

**Request** Deputies to:

- continue work under the Joint Declaration with Industry;
- report in 2000 on some of the policy issues arising from the monitoring of new passenger vehicles and on issues related to emissions of vehicles in use;
- and to report again on monitoring, if necessary, in 2001.

### Background

In their 1995 Joint Declaration on reducing CO<sub>2</sub> emissions from passenger cars, ECMT agreed with the vehicle manufacturing industry, represented by ACEA and OICA, on a number of joint actions, including the establishment of a new car fuel consumption monitoring system.

After examining available options for establishing the most appropriate monitoring system, governments and industry agreed on a pragmatic and cost-effective approach, based on data from an existing high-quality industry source. In 1996, a first report under the Declaration was presented, covering monitoring data and analysis for the period 1980 to 1995.

Set out below is a further progress report, based on the same data source and covering, in particular, figures and developments for 1996 and 1997. The prior report mentioned the possibility of official EU data being provided within the context of the European Communities car CO<sub>2</sub> reduction strategy; such data will not be available before 2001.

As noted in the first report, data is affected by the change in the official test-cycle for fuel consumption. The impact of the change is significant from 1996 onwards. CO<sub>2</sub> emissions data is now being estimated in accordance with Directive 93/116/EC, which replaced the “old” Directive 80/1268/EEC. The “new” test cycle was implemented, in large part, as of 1.1.1997 and will remain applicable for the next few years. Amongst other changes, the “new” cycle includes for the first time a cold start period, and consequently higher fuel consumption/CO<sub>2</sub> emissions are recorded.

In the prior report it was expected that the impact of the new cycle would be higher values for fuel consumption, of the order of 10%; other comparisons (by industry) indicate an increase of some 9% in average car CO<sub>2</sub> emissions. This latter figure has been used, where necessary, in the following analysis; this has enabled trends to be identified which would not be otherwise possible. It is important to realise that the change in Directive has created an “artificial” increase in recorded CO<sub>2</sub> emissions which is not reflected in the real world. In reality CO<sub>2</sub> emissions from new cars have altered little.

The present report covers 15 countries (Switzerland and Norway together with the countries of the European Union excepting Finland and Greece). The 1996 report covered the same set of countries, although trends in only 7 were analysed in detail. For the future, uniform monitoring of CO<sub>2</sub> emissions in newer Member countries should be facilitated by recent activities carried out in the framework of the UN Economic Commission for Europe. Annexed to the 1958 Agreement on uniform technical requirements for wheeled vehicles is Regulation No. 101, which entered into force on 1 January 1997 for application in 29 Contracting Parties, including the European Community. This Regulation establishes a uniform manner to measure CO<sub>2</sub> emissions, although it does not prescribe any emissions limits. The test cycle adopted is identical to that prescribed by EU Directive 93/116/EC. A number of central and eastern European Member countries have expressed an interest in being included in any future monitoring exercise.

### **Recent Trends**

The first ECMT monitoring report showed 1995 average fuel consumption of new cars in 15 European markets at 7.1 litres per 100km (measured according to the “old” 80/1268/EEC cycle). However, as noted above, from 1996/1997 and for future years official car CO<sub>2</sub> emissions will be compiled according to a new test cycle with, amongst other things, results being produced in terms of grams of CO<sub>2</sub> emissions per km. In order to allow a consistent interpretation of trends based on the “new” test cycle (93/116/EC), the above 1995 figure has been recalculated on the new basis.

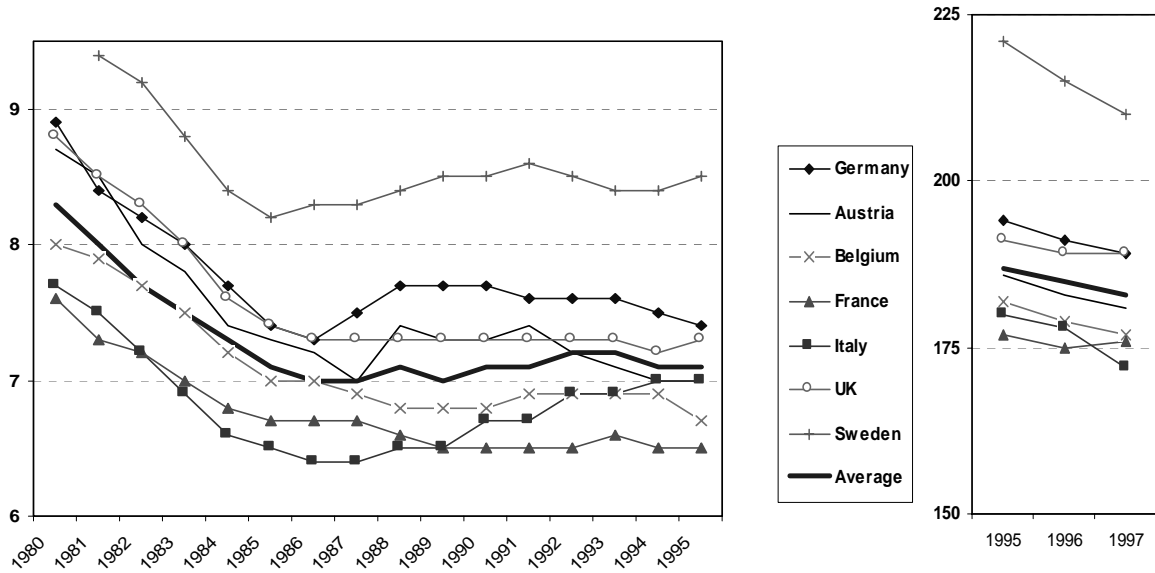
The need to make this adjustment was, of course, anticipated in the prior monitoring report; and the conversion indicates that in 1995 the average fuel consumption of new cars in the 15 European markets was 187g CO<sub>2</sub> per km. This figure forms the basis for the following review of more recent trends. Because of the progressive phase-in of the application of the new test procedure some similar calculations have also been needed to obtain consistent data for 1996 and 1997.

As can be seen in the table below, from a 1995 base of 187g CO<sub>2</sub> per km, average European new car CO<sub>2</sub> emissions reduced to 184g/km in 1996, and to 183g/km in 1997 -- with falls occurring in all countries. Thus over the 1995 to 1997 period new car CO<sub>2</sub> emissions in Europe as a whole maintained the steady and continuous path of reduction evident since 1992. Of course over the longer term, new car fuel efficiency has shown major improvement. In the past, as now, reductions in actual consumption have been partially offset by the requirements of automotive regulations (emissions, safety, noise) and consumer demands (quality, comfort).

## Weighted Average Fuel Consumption and CO<sub>2</sub> Emissions, All New Cars

Test cycle - 80/1268/EEC  
(Litres / 100 km)

Test cycle - 93/116/EC  
(Grams CO<sub>2</sub>/km)



Note: Weighted average for 7 countries (1995-187g/km; 1996-185g/km; 1997-183g/km)

Source: ACEA/OICA, 1999.

### Average fuel consumption/CO<sub>2</sub> emissions of new cars weighted by registrations

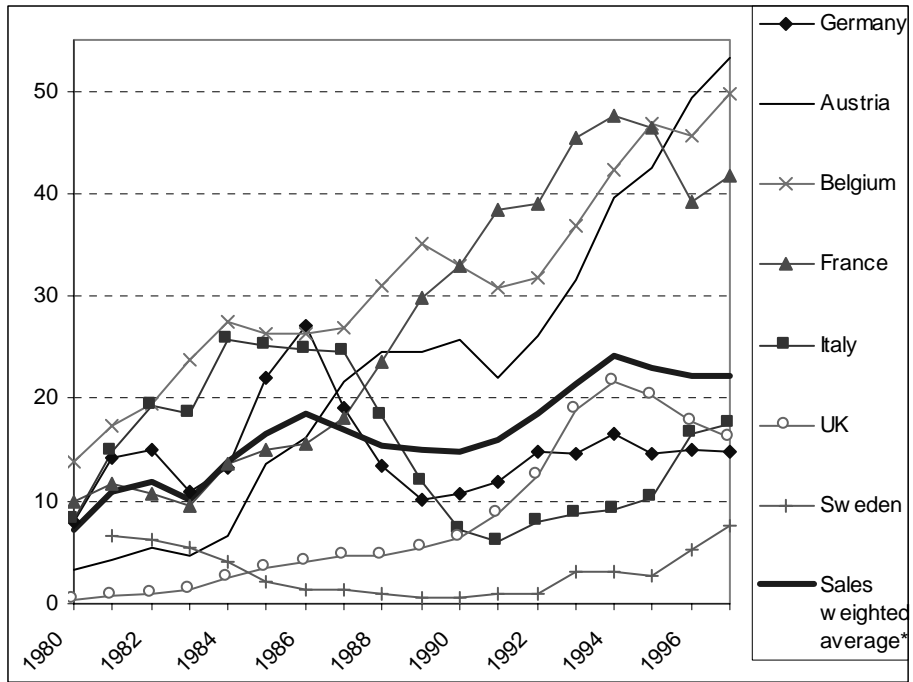
Directive:	80/1268		93/116	93/116	93/116
Year:	1995		1995	1996	1997
	Lit./100km		CO <sub>2</sub> g/km	CO <sub>2</sub> g/km	CO <sub>2</sub> g/km
	*				
<b>Austria</b>	6.98		186	183	181
<b>Belgium</b>	6.72		182	179	177
<b>Denmark</b>	7.23		188	185	185
<b>Finland</b>	-		-	-	-
<b>France</b>	6.52		177	175	176
<b>Germany</b>	7.42		194	191	189
<b>Greece</b>	-		-	-	-
<b>Ireland</b>	6.85		179	177	174
<b>Italy</b>	6.97		180	178	172
<b>Luxembourg</b>	7.38		197	192	191
<b>Netherlands</b>	7.15		188	185	184
<b>Norway</b>	7.56		196	191	192
<b>Portugal</b>	6.62		171	168	165
<b>Spain</b>	6.64		177	175	174
<b>Sweden</b>	8.52		221	215	210
<b>Switzerland</b>	8.30		216	212	211
<b>UK</b>	7.26		191	189	189
<b>Weighted Average</b>	7.10		187	184	183

\* from prior report

The reduction in new car CO<sub>2</sub> emissions can also be viewed in the context of developments in the physical characteristics of cars sold in Europe. Set-out below are recent new car developments in terms of dieselisation, average cylinder capacity and power; key trends are:

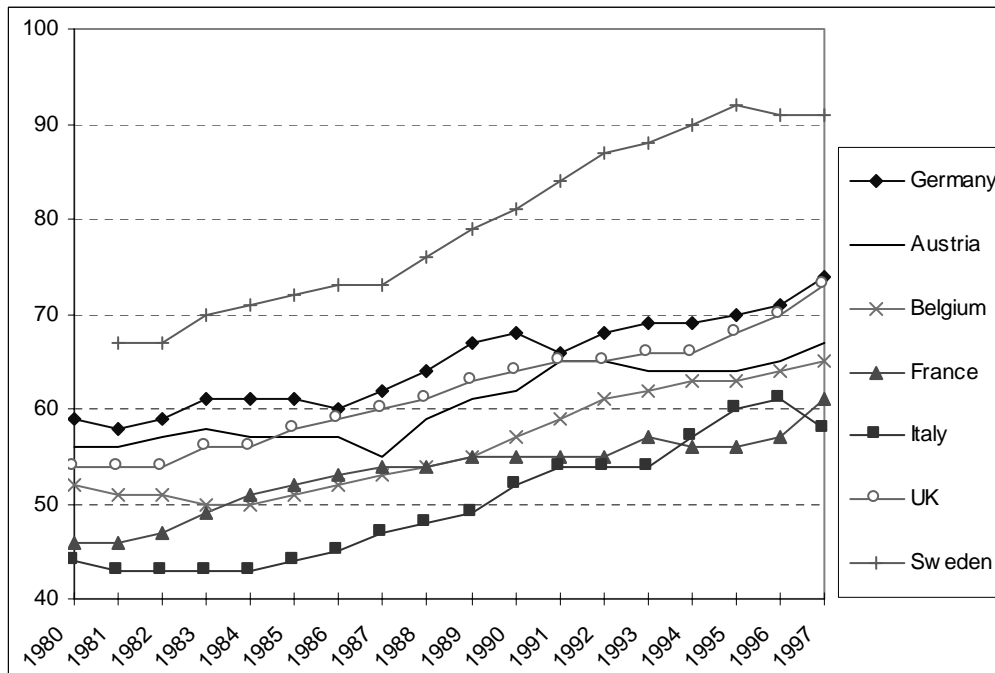
- **diesel penetration** in Europe has remained stable for quite a number of years now, at around the 22% mark. However dieselisation varies considerably across Europe with certain countries at diesel shares above 40% (such as: Austria, Belgium, Spain and France), and other countries with very low diesel penetration (such as: Denmark, Norway, Sweden and Switzerland).
- **average cylinder capacity and power** of car engines varies considerably from one country to another – reflecting the differing economic and geographic conditions in the various markets. Over the 1995 to 1997 period, these two parameters have grown slightly; however in 1997 car cylinder capacity showed a decline on its 1996 level.

### Penetration of Diesel Cars (% of new sales)



Note: \*All Europe for which data recorded (8 countries in 1980, 16 countries from 1995)  
 Source: ACEA/OICA, 1999.

### Sales Weighted Average Power (kW)



Source: ACEA/OICA, 1999.

## Dieselisation

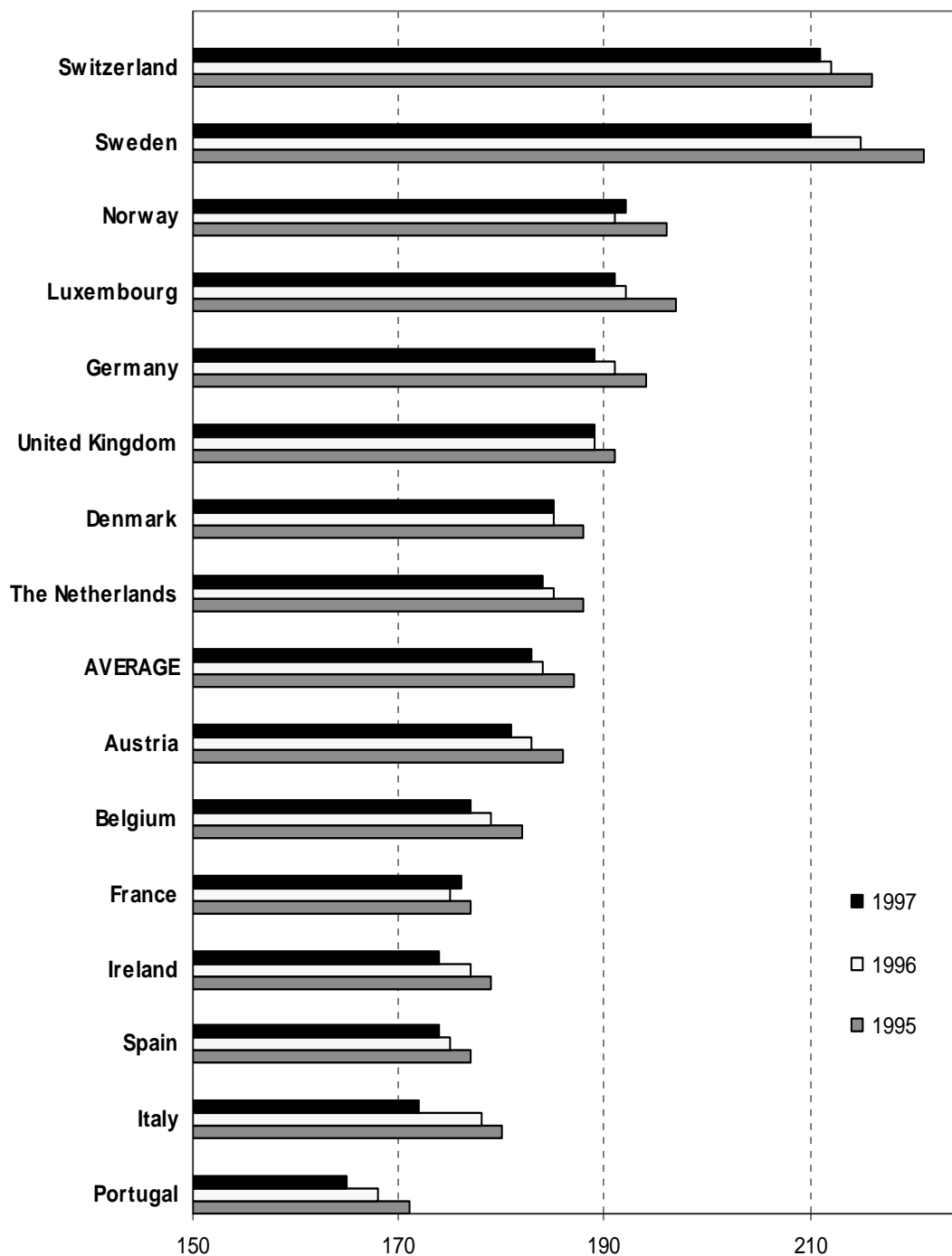
	Diesel Market Share		
	1995	1996	1997
	%	%	%
<b>Austria</b>	42.6	49.4	53.3
<b>Belgium</b>	46.8	45.7	49.8
<b>Denmark</b>	2.9	2.9	3.0
<b>Finland</b>	6.9	13.5	14.6
<b>France</b>	46.5	39.2	41.8
<b>Germany</b>	14.6	15.0	14.9
<b>Greece</b>	-	-	-
<b>Ireland</b>	15.9	13.3	11.3
<b>Italy</b>	10.5	16.5	17.5
<b>Luxembourg</b>	28.6	32.4	35.2
<b>Netherlands</b>	13.8	15.3	17.1
<b>Norway</b>	6.1	7.2	6.2
<b>Portugal</b>	10.6	12.6	16.9
<b>Spain</b>	33.6	37.5	42.2
<b>Sweden</b>	2.8	5.2	7.6
<b>Switzerland</b>	4.3	4.7	5.1
<b>UK</b>	20.2	17.8	16.1
<b>Weighted Average</b>	22.1	22.3	22.3

## Average cylinder capacity and power

	Av. Cylinder capacity			Average Power		
	1995	1996	1997	1995	1996	1997
	Cc	cc	cc	KW	KW	kW
<b>Austria</b>	1750	1771	1797	64	65	67
<b>Belgium</b>	1745	1734	1739	63	64	65
<b>Denmark</b>	1613	1626	1643	67	69	71
<b>Finland</b>	-	-	-	-	-	-
<b>France</b>	1635	1601	1653	56	57	61
<b>Germany</b>	1744	1755	1760	70	71	74
<b>Greece</b>	-	-	-	-	-	-
<b>Ireland</b>	1504	1466	1458	58	58	58
<b>Italy</b>	1456	1493	1431	60	61	58
<b>Luxembourg</b>	1863	1870	1883	75	76	79
<b>Netherlands</b>	1641	1643	1661	65	66	68
<b>Norway</b>	-	-	-	-	-	-
<b>Portugal</b>	1328	1347	1372	51	53	56
<b>Spain</b>	1621	1640	1670	58	60	61
<b>Sweden</b>	2046	2003	1959	92	91	91
<b>Switzerland</b>	1954	1948	1952	87	88	90
<b>UK</b>	1678	1690	1709	68	70	73
<b>Weighted Average</b>	1659	1665	1662	65	66	68



**Average CO<sub>2</sub> Emissions of New Passenger Cars Weighted by Registrations**  
 (grams CO<sub>2</sub>/km measured according to norm 93/166/EC)



Source: ACEA/OICA, 1999.

Based on figures for the recent past and current developments, the momentum of CO<sub>2</sub> reduction appears to be building. Evidence of the European industry's interest in delivering fuel efficiency improvement was highlighted in the prior report, and this has been reinforced by ACEA's (the European Manufacturers Association) commitment on CO<sub>2</sub> emissions reduction (see below). The EU Council approved this voluntary commitment in October 1998, with an environmental agreement between ACEA and the Commission being finalised in early 1999 [99/125/EC]. The agreement is at the heart of the Community's overall strategy on CO<sub>2</sub> emissions from cars, and it is estimated that ACEA's commitment will contribute more than 15% of the total CO<sub>2</sub> savings required from the EU under the Kyoto Protocol.

### ACEA's Commitments

ACEA's collective commitments are extremely ambitious, both technically and economically, and go far beyond any "business as usual" scenario; they demonstrate the seriousness with which the European industry takes its environmental responsibilities, and the gathering pace of activity. Specifically, ACEA has committed itself to:

- bring to the market individual car models with CO<sub>2</sub> emissions of 120 g/km or less by 2000;
- achieve an average CO<sub>2</sub> emission figure of 140 g/km by 2008 for all its new cars sold in the EU -- this translates into an average CO<sub>2</sub> reduction of 25% compared to 1995;
- an estimated target range of 165–170 g/km in 2003 -- a 9-11% reduction compared to 1995;
- review in 2003 the potential for additional improvements with a view to moving the new car fleet average further towards 120 g/km by 2012;
- a joint ACEA/Commission monitoring of all the relevant factors related to the commitments.

It is to be noted that the profile of CO<sub>2</sub> emissions reduction is not expected to be linear; the pace will be relatively slow initially, and gather momentum later. The profile will notably depend on the timing of availability of improved quality fuels on the market as well as on the lead-time for new technologies and products, and their market penetration.

### Key Contributions to Future CO<sub>2</sub> Improvements

The European automotive industry has made its CO<sub>2</sub> commitment, and manufacturers are now continuing to gear massive research and product and process development towards attaining the 140g/km target by 2008. Climate change is, of course, a worldwide challenge, to which all involved need to contribute in a "joint endeavour"; this approach was well recognised within the 1995 ECMT/industry Joint Declaration on reducing car CO<sub>2</sub> emissions. It can be envisaged that key contributions to future car-related CO<sub>2</sub> improvements should include those coming from:

- **Improved Fuel Quality:** There is need for the full market availability of fuels of sufficient quality to enable the application of the new technologies needed for the industry to achieve its CO<sub>2</sub> commitments. Specifically, the oil industry needs to initiate soon the comprehensive introduction of environmentally-friendly fuels; in particular, gasoline and diesel with maximum sulphur contents of 30ppm or less.

- **Focussed Automotive R&D programme:** In view of the long-term dimension of climate change, the development of new breakthrough technologies will be essential. To support this process the industry has formulated a joint CO<sub>2</sub> R&D programme, with wide participation across the whole of the sector’s research base. There is now a need for active support and co-operation from European Community and national research programmes, and for automotive R&D to be accorded its own Key Action in future European Community Framework Programmes.
- **Unhampered Diffusion of Car CO<sub>2</sub>-efficient Technologies:** European car manufacturers have high expectations for **certain** technologies, particularly CO<sub>2</sub>-efficient direct injection gasoline and diesel technologies. The unhampered diffusion of car CO<sub>2</sub> efficient technologies into the marketplace, via competition between manufacturers, is essential. More generally, the industry strongly believes its efforts would now benefit from a stable, predictable external environment, substantially free from additional CO<sub>2</sub> measures that affect new cars, or from automotive regulations with “mutually exclusive” demands. Such policies could severely disrupt the industry’s demanding tasks of developing a range of cars which meet customers’ needs, and which also meet its CO<sub>2</sub> commitments.
- **Promotion of Fleet and Non-Product Measures:** To encourage an ethos of support and “joint endeavour” for CO<sub>2</sub> reduction widely amongst Europe’s populous, and to achieve short term improvements, a series of broader policy options should be pursued. Examples of such initiatives might include: incentives for fleet renewal; encouragement for correct vehicle maintenance; driver education and training schemes; telematics and infrastructure optimisation; and better integrated land use and transport planning.

**SCRAPPAGE SCHEMES AND THEIR ROLE IN IMPROVING  
THE ENVIRONMENTAL PERFORMANCE OF THE CAR FLEET**

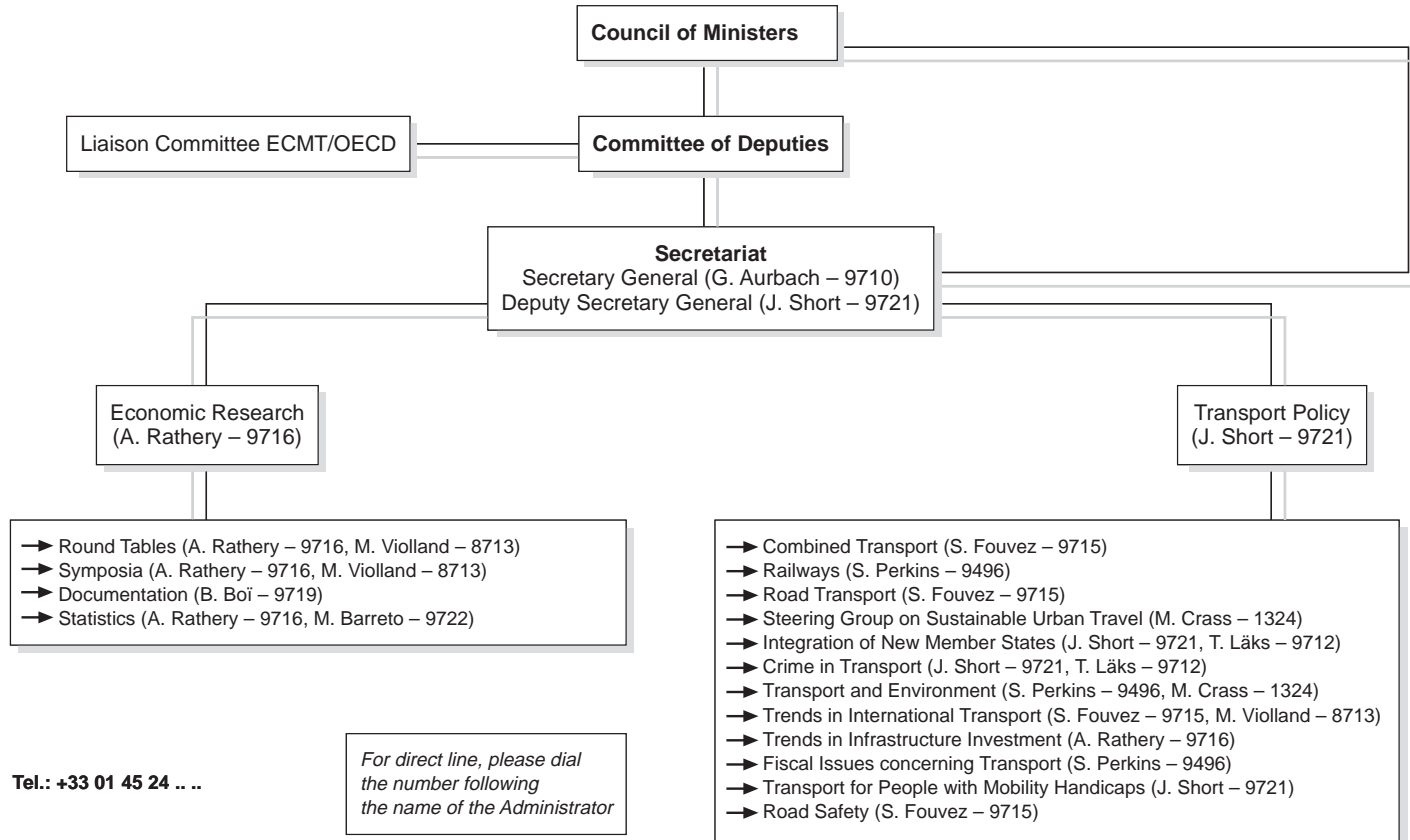
[CEMT/CM/(99)31]

This report is published under the title  
“*Cleaner Cars: Fleet Renewal and Scrappage Schemes*”,  
ISBN 92-821-1231-9

**ANNEXES**



Annex 1. ECMT Organisation Chart – 1999



**ANNEX II. PRESS RELEASE AFTER 83<sup>rd</sup> SESSION OF THE  
COUNCIL OF MINISTERS IN WARSAW**

83rd Session of the  
COUNCIL OF MINISTERS  
Warsaw, Poland  
19-20 May 1999



- Market Integration
- Border Crossings
- Crime in Transport
- Multilateral Quota
- Road Transport: Social and Fiscal Aspects
- Road Safety: Moped Riders and Motorcyclists
- Public-Private Partnerships in Transport
- Infrastructure Financing
- The Millennium Bug
- People with Mobility Handicaps
- Phasing out Lead in Petrol
- Car scrapping Schemes



The Council of Ministers of the European Conference of Ministers of Transport (ECMT)<sup>1</sup> held its 83<sup>rd</sup> Session on Wednesday 19 May and Thursday 20 May 1999 in Warsaw (Poland).

The Session was chaired by Mr. Tadeuz SYRYJCZYK, Minister of Transport and Maritime Economy for Poland. More than thirty Ministers attended the meeting in Warsaw as well as the European Commissioner responsible for transport.

Three main dossiers were examined by the Council:

## 1. Overcoming obstacles to market integration

- a) The first item submitted to the Council was a report on the **Pan-European process of legal harmonisation and adjustment of transport systems**. This report describes the progress that has already been made towards achieving greater convergence between domestic legislation in ECMT Member countries and the legal provisions regarding transport already in force within the European Union (EU). It identifies the problems that exist in this area and suggests a number of actions which the ECMT might undertake to remedy the situation. In order to follow-up on these proposals Ministers adopted a series of *Recommendations* aimed at defining the future role which the ECMT could play in the harmonisation of national transport legislation. Part of this role will consist in closer collaboration with regard to exchanges of information concerning proposed changes in transport legislation. This will allow the ECMT to help ensure that new legislation introduced by Member countries is consistent with existing EU and UN/ECE legal instruments as well as with ECMT Resolutions. Furthermore, Ministers mentioned that, as part of the process of convergence between legal systems, the role of the ECMT should be to provide a forum in which non-EU Member States are able to air their concerns with regard to legislative changes proposed within the EU. ECMT would thereby facilitate amendment and extension of the *acquis communautaire* (the existing body of EU rules and regulations) and help to ensure that the costs of aligning national legislation in the next few stages of European integration are kept within reasonable limits.
- b) The Agenda also included a review by Ministers of a report on **the Integration of European Inland Transport Markets** which describes the changes observed in this area since the adoption in 1995 of a Resolution on Access to European Transport Markets. The report begins by describing the most significant macroeconomic developments observed over the past few years in the economies in transition as well as recent trends in the transport sector, namely a marked decline in freight traffic, a change in the modal split and the collapse of the public passenger transport sector. The report also examines trends in infrastructure investment and the funding of infrastructure maintenance. It then goes on to identify areas where there are continuing obstacles to achieving a genuinely efficient transport system and the problems which still remain at the level of individual transport modes. On the basis of this report, and also two other reports dealing

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1. The ECMT, founded on 17 October 1953, comprises the Ministers of Transport of 39 European countries: Albania, Austria, Azerbaijan, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, the Former Yugoslav Republic of Macedonia (F.Y.R.O.M.), Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Moldova, the Netherlands, Norway, Poland, Portugal, Romania, the Russian Federation, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and the United Kingdom. Five countries are Associate Members: Australia, Canada, Japan, New Zealand and the United States. Armenia, Morocco and Liechtenstein are also represented with observer status.

with **emerging trade and transport links** and **rail transport between Europe and Asia**, Ministers adopted a *Resolution* proposing a number of measures aimed at enhancing the integration of European inland transport markets, namely:

- for road freight transport, an increase in the multilateral quota in the light of progress achieved in various areas such as safety, the environment, the harmonisation of fiscal and social conditions, etc., and more generally the adoption of a markedly more multilateral approach to problems encountered in this sector;
- for rail transport, a greater degree of freedom for rail operators and infrastructure managers, together with closer collaboration between operators and managers in order to improve international rail services;
- for inland waterways, measures to enhance the compatibility of navigation regimes in Europe;
- for combined transport, the adoption of a broader approach, which could include short-sea shipping, and greater interoperability of the systems in Central and Eastern European countries.

Dealing with this point on the agenda, the Council also took note of the declarations from a number of Regional Transport Conferences and, in particular, the adoption in Athens, in April 1999, of the “Memorandum of Understanding on the Facilitation of International Transport of Goods in the SECI region (South-East Co-operation Initiative)” which is a significant step towards a better integration of European transport markets and legal harmonisation of transport systems. The Council urged ECMT to continue disseminating the findings of these Regional Conferences and work towards ensuring the compatibility of their conclusions and decisions.

- c) The ECMT regularly reviews the situation in the international road freight transport sector with regard to border crossings. Two reports providing the most up-to-date account available of the situation in this area were brought to Ministers’ attention at the meeting in Warsaw. They deal with **the removal of obstacles at border crossings** in the case of road and rail transport respectively. After describing the obstacles that still remain in terms of both infrastructure and procedures, the reports go on to recommend a series of measures that might improve border crossings. These recommendations are set out in a *Resolution* adopted by Ministers. The first set of recommendations concerns rail transport and is aimed at reducing the delays reported in international freight services in order to ensure compliance with the objectives already set out in international agreements; other objectives include transferring customs formalities to the points of origin and destination, putting in place joint customs inspections by the authorities of the countries concerned, ensuring the independent management of railway companies, eliminating marshalling operations, improving the transmission of data, etc. In the case of road transport, the first recommendation is that Member countries adopt the general objective of speeding up formalities in order to reduce current average waiting times by 50% over the next two years and to reduce the maximum waiting time to one hour within a period of five years. The *Resolution* also recommends that efforts be made with regard to road transport to further simplify vehicle and freight inspection operations, customs formalities and the taxes and charges levied at borders, step up co-ordination between the various authorities present at border posts, ensure closer co-operation between customs authorities with a view to joint management of customs clearances and the performance of inspections, and make greater use of techniques of risk analysis and sampling in order to target vehicles subjected to inspections more efficiently. In adopting the *Resolution* brought before them, Ministers committed themselves to doing everything in their

power to implement the recommendations set out in this Resolution on priority corridors by the year 2005.

- d) In May 1997, the Council of Ministers of the ECMT adopted a Resolution on **Crime in International Transport** and asked to be kept regularly informed of progress in the implementation of the recommendations set out. In response the Council was presented with a report analysing the current situation with regard to the theft of goods or vehicles and attacks on drivers, as well as fraud in transit regimes. This report notes that, despite some progress, many of the issues addressed by the 1997 Resolution are still of concern today and that more should be done to implement the provisions of the Resolution. The report also proposes that a number of new recommendations be added to the Resolution with regard to issues that, in the light of developments over the past two years (new forms of fraud and crime, extension of such crime to all modes of transport, growth in illegal immigration), appear to be of particular importance. A new *Resolution* on crime in transport designed to meet these new objectives was approved by the Council of Ministers in Warsaw.

With regard to the theft of goods and vehicles, the new Resolution recommends that:

- a classification system be drawn up for lorry parks, according to safety standards, and that the ECMT/IRU brochure on truck parking areas in Europe be updated;
- work be speeded up on development and standards for vehicle anti-theft devices and communications systems used to track such vehicles in order to bring them quickly onto the market;
- the EUCARIS system be enlarged through the accession of new countries;
- international databanks on thefts of goods and vehicles be expanded;
- high-risk areas be identified in order to better target surveillance and inspections.

With regard to fraud in transit regimes, the new Resolution recommends that:

- efforts be continued to streamline procedures and step up checks, and that reform of the TIR convention be completed;
- the reform of the Community regime and transit systems be completed with the provision of the resources needed to process them by computer;
- a substantial reduction be made in the time limits for non-discharge notification by the customs authorities.

The Resolution also contains a number of provisions with regard to illegal immigrants, under which national authorities would be asked to introduce regulations with regard to investigation procedures and the involvement of drivers.

## 2. Road transport and road safety

### 2.1 Road transport

- a) The Council of Ministers took a number of *Decisions* regarding the development of **the multilateral quota system** for international road freight transport. These decisions relate to:
- the introduction of a bonus for countries which endeavour to adapt their lorry fleet to high environmental and safety standards, notably by converting their basic quota into green or greener and safe licences;
  - the use of short-term permits for green, and greener and safe lorries;
  - modification of administrative procedures relating to the issuing of permits;
  - agreement on the number of permits allocated to Albania and Azerbaijan.
  - the creation of a special humanitarian quota granted to Albania and the Former Yugoslav Republic of Macedonia because of the specific needs of these two countries due to the recent events in the region, together with the extension for one year of the special quota granted to Bosnia-Herzegovina and Moldova in 1998.

The Council of Ministers also decided to study the simplification and expansion of the quota system, and, in particular, the size of the increase in the number of ECMT licences warranted by the expected reduction in pollution resulting from the application of EURO3 standards to vehicles.

- b) In addition, Ministers at the Warsaw Session laid down *Mandates* and *Guidelines* for future work by the ECMT with regard to **the social and fiscal aspects** of the road transport sector. Two documents served as a basis for discussions of this item on the agenda: firstly, an information note on transit charges in ECMT Member countries, which deals in particular with issues of discrimination and accumulation inherent in the levying of such charges; and secondly a report on **the social aspects of road transport**.

With regard to taxation, the mandate approved by the Council of Ministers provides for an in-depth examination of the conditions under which the principle of non-discrimination between domestic and foreign carriers will be applied with regard to taxes and charges based both on nationality and territoriality, while avoiding prohibitive tax charges that would damage the efficiency of international transport. In the social field, the Council asked to draw up minimum standards, applicable in all ECMT Member countries, with regard to working times in the road transport sector, to ensure that such standards are consistent with existing standards on driving and rest times, to achieve wide-ranging harmonisation of conditions of access to the profession and to establish objectives for inspections in order to ensure compliance with regulations.

### 2.2 Road safety

- a) Ministers first examined a report on **Recent Trends in Road Accidents**. The most striking fact that emerges from this report is that over 100 000 people were killed and a further 2 million injured in road accidents in 1997 within the ECMT area. The latest statistics available reveal that the progress made in reducing the number of road accidents in Western Europe is now showing signs of slowing and that road safety in the countries of Central and Eastern Europe has deteriorated dramatically.

- b) Communication strategies are an integral part of the authorities' overall efforts to improve road safety. Communication is not restricted solely to providing information about the actions taken by the authorities, but is also an essential tool for raising public awareness of a problem for which every citizen must take responsibility personally and continuously, since the effectiveness of measures depends largely on their being accepted by the public.

A *Resolution* was drawn up on the basis of the conclusions of a report entitled “**Communication in Road Safety**” which describes the aims, strategies and methods of communication used in this area and which stresses that such an approach can only be successful if it is part of a general strategy that takes account not only of the messages diffused by the traditional mass media but also new methods of telecommunication involving the road transport environment and surveillance techniques. This *Resolution* was adopted by the Council of Ministers.

The Resolution, after recalling that most road accidents are the result of inappropriate behaviour by road users and that the perception of road accidents as an increasingly normal part of everyday life may lessen the impact of communication, recommends that:

- all road safety measures should be reinforced by means of a systematic communication effort;
  - exchanges of information between Member countries with regard to experience with communication should stepped up;
  - communication should be adapted to the target group and should be based on marketing principles;
  - communication should be considered as a tool to be used on an ongoing basis, the lasting effects of which will only be felt in the long term;
  - the results of road safety campaigns should be systematically assessed.
- c) Since 1997, the ECMT has been closely studying certain categories of road user who are particularly vulnerable from a safety standpoint. After examining the case of cyclists in 1997 and pedestrians in 1998, the Council of Ministers discussed in Warsaw the road safety problems posed specifically by **moped riders and motorcyclists**. The report on this subject begins with an overview of current accident statistics for these two categories of road users and notes the worryingly high proportion of motorcyclists and moped riders involved in road accidents (currently 13% of all road accidents). It then makes a number of recommendations with regard to vehicles, infrastructure, the Highway Code, road safety awareness campaigns and the training of road users. These recommendations have in large part been incorporated into a *Resolution* which Ministers approved at the meeting in Warsaw. The recommendations relate primarily to:
- vehicles: classification criteria that will allow more effective and clearer design rules to be drawn up for manufacturers, measures to prevent illegal tampering with engine ratings, design standards for cars and HGVs that take account of the risks of collision with a two-wheeled vehicle, technical developments aimed at ensuring a safer use of two-wheeled vehicles, mandatory roadworthiness tests;
  - infrastructure: rules for the use of cycle tracks, quality of road surfaces and markings, ban on grooved road pavements, safer crash barriers;

- training: training courses in moped riding for teenagers, graduated access to motorcycle riding according to engine size, introduction of a practical test alongside theory tests;
- road users: raise road users' awareness of two-wheeled vehicle riders on the road, use of appropriate clothing, use of headlights during the day, compliance with the requirement to wear an approved crash helmet, compliance with highway code by drivers of two-wheeled vehicles.

### 3. Financing of transport infrastructure

Governments are interested in **Public-Private Partnerships (PPPs) in the transport sector** primarily because the involvement of the private sector means that infrastructure and public services can be provided more efficiently, but also because there is a compelling need in many countries to secure extra-budgetary sources for funding for transport. Although still relatively limited, the experience acquired in the transport sector (with motorways, high-speed trains, tunnels, bridges, ports, airports, etc.) nonetheless allows a number of lessons to be learned. This is the purpose of the report on Public-Private Partnerships (PPPs) presented to Ministers. The report, based on case studies of several countries, describes the possibilities and limitations of PPPs, as well as the obstacles that are hindering growth in the use of this kind of financing. It illustrates the role that governments must play in such an approach and sets out the rules that should be followed in drawing up a PPP. It is the disregard for such rules, notably with regard to the share of the funding provided by the authorities, which has been responsible for the failure of several recent attempts to set up motorway concessions fully funded by the private sector.

The report submitted to Ministers reaches a number of *Conclusions*, which the Council formally endorsed. These conclusions highlight the potential contribution that PPPs can make as a supplement to traditional means of financing transport infrastructure and services. They also draw attention to the fact that, to be successful, a PPP requires a favourable macroeconomic climate and a regulatory environment which encourages private sector involvement, a political debate that allows political actors and the public to properly understand the implications of such an approach and that makes the latter more readily acceptable, particularly if it involves charges or tolls, and an appropriate and transparent structure as soon as a project is initiated in order to clearly establish roles of the parties involved and resolve any conflicts of interest. In addition to these conclusions, Ministers agreed upon a number of *Recommendations* aimed at creating a suitable framework for the increased use of PPPs. These recommendations relate to:

- the securing of political and popular support for PPPs through the planning of transport development strategies and the organisation of a debate on the provision and financing of infrastructure;
- the involvement of appropriate actors from the private sector in the earliest stages of the process and discussion with them of the options open, particularly with regard to the sharing of risks and responsibilities;
- the introduction of the regulations and procedures needed to ensure that PPPs function properly, which will call for transparent and flexible contracting procedures, the creation of a stable legal and fiscal framework, agreement on procedures for resolving any conflicts of interests, appropriate training for the civil servants involved;
- clear ownership and management structures for projects, and a clear division of responsibilities;
- development of trial projects and exchanges of information about the results of such trials.

\* \* \*

Besides having discussed the three main items above, the Council of Ministers also examined several other reports dealing with the following subjects:

#### 4. The Millennium bug

At the Ministerial Session in Copenhagen in 1998, the US Secretary for Transportation made an appeal to his colleagues to work together to ensure that all computer systems in the transport sector were millennium-compliant. In response to this appeal, the ECMT compiled a dossier on the actions that governments, and in particular Transport Ministries, were undertaking in order to ensure that **transport systems functioned safely and efficiently in the change-over to the year 2000**. The information supplied by countries with regard to this issue, which can be consulted on the ECMT internet site [<http://www.oecd.org/cem/topics/y2k/index.htm>], illustrates the efforts being made to eliminate potential problems and to ensure that safety and efficiency are not compromised.

At the meeting in Warsaw, Ministers adopted a *Declaration* in which they reiterate their determination to take appropriate action to ensure that all equipment relating to the safety and comfort of passengers is year 2000 compliant well before the end of 1999 and that safe and efficient transport services will be provided on 1 January 2000.

#### 5. Transport for people with mobility handicaps

Integrating disabled people into society is a policy objective in all countries. Ministers have on several occasions given political support to this through the adoption of recommendations and formal resolutions aimed at enhancing the contribution that transport systems can make to this objective. One of the basic principles of the work of the ECMT in this area has been that all new infrastructure projects should take due account of the needs of people with mobility handicaps, since mistakes made at the design stage are very difficult to remedy after the event.

To lend further support to this principle, which has already been approved, it was felt that the adoption of a **Charter on Access to Transport Services and Infrastructure** would provide a very useful complement to existing legal instruments. Such a Charter was submitted to, and adopted by, the Council of Ministers in Warsaw. The Charter would aim to ensure that all the parties involved, that is to say planners, engineers, architects, civil servants and politicians, take account during the initial stages of project design of the needs of people with mobility handicaps in order to avoid subsequent modifications or changes once projects have been completed. The Charter states that all projects considered for public funding must, in order to qualify for such funding, make provision during the design and construction phases for full accessibility in accordance with approved standards. The minimum requirements in terms of accessibility must include full access for wheelchair users as well as fixtures to aid people who have difficulty in walking, gripping, reaching or balancing (non-slip surfaces, hand rails and handholds), the blind and partially sighted (use of contrasting colours, clear signing and lighting, non-reflective surfaces, audible announcements) and the deaf or hard of hearing (visual announcements, induction loops and clear signs).

## 6. Transport and the Environment

- a) A global consensus has emerged that the use of leaded gasoline should be phased-out both to reduce public health risks and to facilitate the widespread use of catalytic converters to reduce CO, HC and NO<sub>x</sub> emissions from vehicles. A wide array of policy instruments, and notably tax incentives, have been used to encourage the use of unleaded gasoline, sales of which already amount to almost 80% of all gasoline sold world-wide.

In order to accelerate the process now under way, the Council of Ministers in Warsaw endorsed a *Resolution on the gradual phasing-out of leaded petrol* and to decide that:

- the use of leaded petrol should be halted as soon as possible;
- all ECMT Member countries should set target dates for ending sales of leaded petrol for general use by motor vehicles.

This Resolution also recommends that under no circumstances should leaded petrol be sold at a lower price than unleaded petrol, that no increase in fuel toxicity should be tolerated whenever unleaded petrol is substituted for leaded petrol, that no ferro-organic compound or heavy metal additive should be substituted for lead in petrol and that information campaigns should be launched on the composition and use of additives required for older engines to run on unleaded petrol.

- b) In their file Ministers also found a report on **the monitoring of CO<sub>2</sub> emissions from new cars**. In 1995, the ECMT and representatives of the car manufacturing industry (ACEA and OICA) issued a joint declaration on the reduction of CO<sub>2</sub> emissions from cars in which they agreed to establish a new car fuel consumption monitoring system. The report submitted to Ministers at the Warsaw meeting presents the second set of results obtained in this area. It notes that average emissions from new cars in Europe has been reduced from 187 g of CO<sub>2</sub> per kilometre in 1995 to 183 g/km in 1997 and that this downwards trend would appear to be accelerating. ACEA's collective commitments are extremely ambitious and should contribute more than 15% of the total CO<sub>2</sub> savings required from the EU under the Kyoto Protocol. It is planned to bring to the market individual car models with CO<sub>2</sub> emissions of 120 g/km or less by the year 2000, and by 2008 to reduce the average CO<sub>2</sub> emission level by 25% compared with the 1995 emission level for all new cars sold within the European Union.

## 7. Car Scrapping Schemes

Several countries implemented **car scrapping schemes** during the 1990s. All government and industry-sponsored car scrapping schemes implemented to date put improvement of the environmental performance of the car fleet among their main goals. A report assessing the results of car scrapping schemes with regard to this environmental objective was submitted to the Ministers in Warsaw. It includes some additional analysis of the impact of scrapping schemes on the vehicle manufacturing industry, on markets for other durable goods and on the benefits of improved vehicle safety.

The Council of Ministers approved the *Conclusions and Recommendations* of this report which shows that both the size of the emission reduction achieved and the cost-effectiveness largely depend upon the detailed design of scrapping programmes, i.e. the emission reduction achieved by temporary schemes will itself be temporary; the possible gains from permanent scrapping schemes rely on improvements in new models; cash-for-scrapping versus cash-for-replacement, etc. The key to effective schemes is proper selection of the vehicles to be retired. The timing of the introduction of



scrapping schemes can also have a significant effect on their outcome. The report also analyses three other policy tools which can be used in the place of scrapping schemes: a reform of annual vehicle taxation in order to tax older cars more heavily; the enhancement of inspection and maintenance programmes; the retrofitting of older cars. It has been found that under certain circumstances such measures are more effective than scrapping.

\* \* \*

*Pursuant to the provisions of the Protocol governing the Conference, the Council of Ministers elected its Officers who will take up their duties from 1<sup>st</sup> July 1999 for a period of 12 months. The Minister of Transport and Communication of the **Czech Republic** was elected Chairman of the Conference. The Minister for Public Works, Planning and Regional Administration of **Portugal** and the Minister of Transport of **Romania** were respectively appointed First and Second Vice-Chairmen.*

**This Press Release can also be consulted on the ECMT Internet site  
[www.oecd.org/cem/events/release.htm](http://www.oecd.org/cem/events/release.htm)**

**ANNEX III. LIST OF ECMT MEMBER COUNTRIES - YEAR OF ACCESSION  
(AS AT 31 DECEMBER 1999)**

<b>Name of Country</b>	<b>Year of Accession</b>
ALBANIA <b>AL</b>	1998
AUSTRIA <b>A</b>	1953
AZERBAIJAN <b>AZE</b>	1998
BELARUS <b>BLR</b>	1996
BELGIUM <b>B</b>	1953
BOSNIA AND HERZEGOVINA <b>BIH</b>	1993
BULGARIA <b>BG</b>	1992
CROATIA <b>HR</b>	1992
DENMARK <b>DK</b>	1953
ESTONIA <b>EST</b>	1992
FINLAND <b>FIN</b>	1975
FRANCE <b>F</b>	1953
FYR Macedonia <b>MK</b>	1996
GEORGIA <b>GE</b>	1997
GERMANY <b>D</b>	1953
GREECE <b>GR</b>	1953
HUNGARY <b>H</b>	1991
ICELAND <b>ISL</b>	1998
IRELAND <b>IRL</b>	1953
ITALIA <b>I</b>	1953
LATVIA <b>LV</b>	1992
LITHUANIA <b>LT</b>	1992
LUXEMBURG <b>L</b>	1953
MOLDOVA <b>MD</b>	1994
NETHERLANDS <b>NL</b>	1953
NORWAY <b>N</b>	1953
POLAND <b>PL</b>	1991
PORTUGAL <b>P</b>	1953
CZECH REPUBLIC <b>CZ</b>	1993
SLOVAK REPUBLIC <b>SK</b>	1993
ROUMANIA <b>RO</b>	1992
RUSSIAN FEDERATION <b>RUS</b>	1997
SLOVENIA <b>SLO</b>	1992
SPAIN <b>E</b>	1953
SWEDEN <b>S</b>	1953
SWITZERLAND <b>CH</b>	1953
TURKEY <b>TR</b>	1953
UKRAINE <b>UA</b>	1996
UNITED KINGDOM <b>UK</b>	1953

### **LIST OF ECMT ASSOCIATE MEMBER COUNTRIES - YEAR OF ACCESSION**

<b>AUSTRALIA AUS</b>	1973
<b>CANADA CDN</b>	1975
<b>JAPAN J</b>	1969
<b>NEW ZEALAND NZ</b>	1991
<b>UNITED STATES USA</b>	1977

### **LIST OF ECMT OBSERVER COUNTRIES - YEAR OF ACCESSION**

<b>ARMENIA AM</b>	1995
<b>LIECHTENSTEIN LIE</b>	1998
<b>MOROCCO MA</b>	1990

## ANNEX IV. LIST OF OFFICERS OF THE ECMT

### ***1st July 1998-30 June 1999 : OFFICERS OF THE COUNCIL OF MINISTERS***

In accordance with the provisions of Article 1a) of the Rules of Procedure, the Council of Ministers elected the following Officers for 1999 at its session on 26-27 May 1998:

*Chairman* (Poland)

Mr. Tadeusz SYRYJCZYK, Minister of Transport and Maritime Economy

*First Vice-Chairmanship* (Czech Republic)

Mr. Antonin PELTRAM, PhD, Minister of Transport and Communications

*Second Vice-Chairmanship* (Portugal)

Mr. Joao CRAVINHO, Minister of Regional Development, Planning and Territorial Administration

### ***1st July 1998-30 June 1999 : OFFICERS OF THE COMMITTEE OF DEPUTIES***

In application of Article 3 of the rules of Procedure, the Officers of the Committee of Deputies are the following:

*Chairman* (Poland)

Mr. Jan LISIECKI, Director

*First Vice-Chairmanship* (Czech Republic)

Mr. Dusan VALASEK, Ministerial Counsellor

*Second Vice-Chairmanship* (Portugal)

Mr. Jorge JACOB, Director General

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### ***1st July 1999-30 June 2000: OFFICERS OF THE COUNCIL OF MINISTERS***

In accordance with the provisions of Article 1a) of the Rules of Procedure, the Council of Ministers elected the following Officers for 2000 at its session on 19-20 May 1999:

*Chairman* (Czech Republic)

Mr. Antonin PELTRAM, PhD, Minister of Transport and Communications

*First Vice-Chairmanship* (Portugal)

Mr. Joao CRAVINHO, Minister of Regional Development, Planning and Territorial Administration

*Second Vice-Chairmanship* (Romania)

Mr Traian BASESCU, Minister of Transport

### ***1st July 1999-30 June 2000: OFFICERS OF THE COMMITTEE OF DEPUTIES***

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*Chairman* (Czech Republic)

Mr. Dusan VALASEK, Ministerial Counsellor

*First Vice-Chairmanship* (Portugal)

Mr. Jorge JACOB, Director General

*Second Vice-Chairmanship* (Romania)

Mrs. Dana CONSTANTINESCU, Director General

**ANNEX V. LIST OF DELEGATES AT THE WARSAW CONFERENCE**

***ALBANIA***

<b>Ms. I. SHULI</b>	<b>Minister of Public Works and Transport</b>
Mr. P. XHELO	Deputy, Director of Foreign Relations Department Ministry of Public Works and Transport
Ms. A. AVDYLAJ	Director, Road Transport Development Directory Ministry of Public Works and Transport
Mr. N. CEKA	Adviser for Transport Ministry of Public Works and Transport

***AUSTRIA***

<b>Mr. C. EINEM</b>	<b>Federal Minister for Science and Transport</b>
Ms. M.E. PÖSEL	Deputy, Head of Group A Federal Ministry for Science and Transport
Ms. K. STANGER	Delegate Federal Ministry for Science and Transport
Ms. G. LUTTER	Delegate, Office of the Minister Federal Ministry for Science and Transport

***AZERBAIJAN***

<b>Mr. H. HUSEINOV</b>	<b>President</b> <b>“Azerautonagliyyat” State Concern</b>
Mr. K. ABDULLAYEV	Deputy, Vice-President “Azerautonagliyyat” State Concern
Mr. A. MUSTAFAYEV	Vice-President “Azerautonagliyyat” State Concern
Mr. T. NURULLAYEV	Delegate “Azerautonagliyyat” State Concern

***BELARUS***

<b>Mr. A. LUKASHOV</b>	<b>Ministre des Transports et des Communications</b>
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Mr. I. SHCHERBO  
Chef-adjoint du Département des Relations Economiques  
Extérieures  
Ministère des Transports et des Communications

Mr. G. ALEKSIYAN  
Suppléant, Conseiller  
Ministère des Transports et des Communications

***BELGIUM***

Mr. P. FORTON  
Suppléant, Directeur Général  
Ministère des Communications et de l'Infrastructure

***BOSNIA AND HERZEGOVINA***

Mr V. CORIC  
Deputy Minister  
Ministry of Civil Affairs and Communications

Mr. M. DUJSO  
Deputy, Head of Department  
Ministry of Civil Affairs and Communications

Mr. M. SEKARA  
Head of Department  
Ministry of Civil Affairs and Communications

Mr. M. GRBESIC  
Chief of Cabinet of Deputy Minister  
Ministry of Civil Affairs and Communications

***BULGARIA***

**Mr. W. KRAUS**  
**Minister of Transport**

Mr. I. MILOUSHEV  
Deputy, Deputy Minister  
Ministry of Transport

Mr. R. ATANASSOV  
Head of Division  
Ministry of Transport

Ms. M. STEFANOVA  
Expert  
Ministry of Transport

***CROATIA***

**Mr. Z. LUZAVEC**  
**Minister of Maritime Affairs, Transport  
and Communications**

Mr. M. PETEK  
Deputy Minister, Secretary to the Ministry  
Ministry of Maritime Affairs, Transport and Communications

Ms. R. PALCIC Deputy, Counsellor  
Ministry of Maritime Affairs, Transport and Communications

***CZECH REPUBLIC***

**Mr. A. PELTRAM Minister of Transport and Communications**

Mr. K. STEINER Deputy, Director, Transport Policy, International Relations  
and Environment Department  
Ministry of Transport and Communications

Ms. M. SMEJKALOVA Delegate  
Ministry of Transport and Communications

Mr. J. GABRIEL Delegate  
Ministry of Transport and Communications

Ms. N. VODSLONCHORKOVSKA Delegate  
Ministry of Transport and Communications

***DENMARK***

Mr. K. LYKSTOFT LARSEN Deputy, Deputy Permanent Secretary  
Ministry of Transport

Ms. S. KOED-HOLMER Delegate  
Ministry of Transport

***ESTONIA***

**Mr. T. JURGENSON Minister of Transport and Communications**

Mr. M. KIISA Deputy, Counsellor  
Ministry of Transport and Communications

Mr. P. SKEPAST Deputy Secretary General  
Ministry of Transport and Communications

Mr. A. EHASALU Deputy Head of Road Traffic Department  
Ministry of Transport and Communications

***FINLAND***

**Mr. O.P. HEINONEN Minister of Transport and Communications**

Mr. J. KORPELA Deputy, Secretary General  
Ministry of Transport and Communications

Mr. J. ALALUUSUA	Counsellor Ministry of Transport and Communications
Mr. R. LAMPINEN	Counsellor Permanent Representation of Finland to the European Union Brussels
<b><i>FYR MACEDONIA</i></b>	
<b>Mr. B. SPIRKOVSKI</b>	<b>Minister of Transport and Communications</b>
Ms M. ORTAKOVA	Adviser to the Minister and Head of Cabinet Ministry of Transport and Communications
Mr. D. ELIMOV	Deputy, Assistant Minister Ministry of Transport and Communications
Mr. Z. CRVENKOVSKI	Head of Unit Ministry of Transport and Communications
<b><i>FRANCE</i></b>	
Mr. J. GUILLOT	Suppléant, Directeur Adjoint, DTT Ministère de l'Équipement, des Transports et du Logement
<b><i>GEORGIA</i></b>	
<b>Mr. M. ADEISHVILI</b>	<b>Minister of Transport</b>
Mr. Z. KVATCHANTIRADZE	Deputy, Director of Department of European Integration and International Relations Ministry of Transport
Mr. M. ADEISHVILI	Chief State Adviser Ministry of Transport
<b><i>GERMANY</i></b>	
<b>Mr. F. MÜNTEFERING</b>	<b>Federal Minister of Transport, Building and Housing</b>
Mr. U. SCHULLER	Deputy, Ministerial Director Federal Ministry of Transport, Building and Housing
Mr. K.J. WASSERHOVEL	Head of Minister's Office Federal Ministry of Transport, Building and Housing
Mr. E. VOLK	Adviser Federal Ministry of Transport, Building and Housing





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Ministry for Public Enterprise

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Ministry of Transport

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Ministry of Transport

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Ministry of Transport and Communications

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Ms. G. NAVOTNIK Secretary General  
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**Département Fédéral de l'Environnement, des Transports,**  
**de l'Energie et de la Communication****

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Département Fédéral de l'Environnement, des Transports,  
de l'Energie et de la Communication

Ms. E. VEYA      Conseillère du Ministre  
Département Fédéral de l'Environnement, des Transports,  
de l'Energie et de la Communication

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Office Fédéral des Transports

Mr. B. PERISSET      Chef de Section  
Office Fédéral des Routes

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Ministry of Transport

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Ministry of Transport

Mr. M. KATI      Head of Department, International Relations  
Ministry of Transport

Mr. F. AKYUZ      Head of Department, International Relations  
Turkish State Railways

Mr. Y. ERENISOV  
Head of Department, Economic Affairs  
Ministry of Foreign Affairs

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Mr. A. FEDORENKO                      Personal Assistant of Minister  
Ministry of Transport

Mr. G. KIRPA                              Director  
LVIV Railways

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Department of Environment, Transport and Regions

Mr. M. LEPPERT                          Head of Branch  
Department of Environment, Transport and Regions

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Embassy of Australia, Warsaw

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Mr. G. CHARTRAND                      Conseiller Spécial  
Cabinet du Ministre des Transports

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Ministry of Transport

Mr. G. GRIGORYAN  
Head of Foreign Relations Department  
Ministry of Transport

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Director  
Office of Economy

***MOROCCO***

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**Ministre des Transports et de la Marine Marchande**

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Ministère des Transports et de la Marine Marchande

Mr. M. HILLI  
Directeur  
Ministère des Transports et de la Marine Marchande





**ANNEX VI. LIST OF INTERNATIONAL ORGANISATIONS WITH  
CONSULTATIVE STATUS IN ECMT**

**INTERNATIONAL UNION OF RAILWAYS (I.U.R.)**

Monsieur Ph. ROUMEGUERE  
Directeur Général  
U.I.C.

c.c. - M. J. Cornet, Directeur Général Adjoint

**THE INTERGOVERNMENTAL ORGANISATION  
FOR INTERNATIONAL CARRIAGE BY RAIL**

Monsieur H. R. ISLIKER  
Directeur Général  
O.T.I.F

**INTERNATIONAL UNION COMBINED ROAD-RAIL TRANSPORT COMPANIES**

Monsieur R. COLLE  
Directeur Général  
U.I.R.R.

**EUROPEAN INTERMODAL ASSOCIATION (E.I.A.)**

Monsieur C. FIQUET  
Président  
E.I.A.

**INTERNATIONAL ROAD TRANSPORT UNION**

Monsieur M. MARMY  
Secrétaire Général  
I.R.U.

**INTERNATIONAL ROAD FEDERATION (I.R.F.)**

Monsieur A. DUPONT  
Président  
F.R.I.

c.c. M. W. Westerhuis, Directeur Général

**PERMANENT INTERNATIONAL ASSOCIATION OF ROAD CONGRESSES  
(P.I.A.R.C.)**

Monsieur J-F. COSTE  
Secrétaire Général  
A.I.C.P.R.

**INTERNATIONAL TOURING ALLIANCE/  
INTERNATIONAL AUTOMOBILE FEDERATION**

Mr. P. DOGGWILER  
Director General  
A.I.T./F.I.A.

**INTERNATIONAL ROAD SAFETY ORGANISATION**

Monsieur J. M. TRIGOSO  
Président  
P.R.I.

**EUROPEAN TRANSPORT SAFETY COUNCIL (ETSC)**

Mrs. J. BREEN  
Executive Director  
E.T.S.C.

**EUROPEAN CYCLISTS'S FEDERATION**

Mr. J. VERSCHOOREN  
President  
E.C.F.

## **INTERNATIONAL FEDERATION OF PEDESTRIANS**

Mr. R.B. HIRSCH  
Secretary-General  
F.I.P.

## **INTERNATIONAL ASSOCIATION FOR YOUNG PERSONS' TRAVEL SAFETY**

Monsieur D. HENRIOT  
Secrétaire Général  
A.I.S.T.

## **CENTRAL COMMISSION FOR THE NAVIGATION OF THE RHINE (C.C.N.R.)**

Monsieur J-M. WOEHLING  
Secrétaire Général  
C.C.N.R.

## **INTERNATIONAL UNION FOR INLAND NAVIGATION**

Monsieur M. RUSCHER  
Secrétaire Général  
UINF/IBU

## **PERMANENT INTERNATIONAL ASSOCIATION OF NAVIGATION CONGRESSES (P.I.A.N.C.)**

Monsieur E. VAN DEN EEDE  
Président  
A.I.P.C.N

## **EUROPEAN CIVIL AVIATION CONFERENCE (E.C.A.C.)**

Monsieur R. BENJAMIN  
Secrétaire Exécutif  
C.E.A.C.

cc: - Mme M. Barbin, Expert du Transport Aérien

## **INTERNATIONAL UNION OF PUBLIC TRANSPORT**

Mr. H. RAT  
Secretary General  
U.I.T.P.

**EUROPEAN METROPOLITAN TRANSPORT AUTHORITIES**

Monsieur G. DOBIAS  
Président  
E.M.T.A.

**INTERNATIONAL TRANSPORT WORKERS' FEDERATION**

Mr. D. COCKROFT  
Secretary-General  
I.T.F.

**INTERNATIONAL FEDERATION OF TRADE UNIONS OF TRANSPORT WORKERS**

Monsieur F. POOLS  
Secrétaire Exécutif de l'Action Professionnelle de la CMT

**INTERNATIONAL FEDERATION OF TRANSPORT EXECUTIVES**

Monsieur S. GRAZIOSI  
Président  
F.I.C.T.

**UNION OF INDUSTRIAL AND EMPLOYERS' CONFEDERATIONS OF EUROPE**

Monsieur Z. TYSZKIEWICZ  
Secrétaire Général  
U.N.I.C.E.

**INTERNATIONAL FEDERATION OF FREIGHT FORWARDERS ASSOCIATIONS/  
EUROPEAN LIAISON COMMITTEE OF FREIGHT FORWARDERS**

Mr. C. GILLESPIE  
Président  
F.I.A.T.A.

cc: M. J-M. Delquignies, Vice-Président FIATA

Mr. H. BAASCH  
Director  
C.L.E.C.A.T.

**INTERNATIONAL CHAMBER OF COMMERCE (I.C.C.)**

Mrs. M.L. CATTAUI  
Secretary General  
I.C.C.

**INTERNATIONAL ORGANIZATION OF MOTOR VEHICLE MANUFACTURERS**

Monsieur Y. VAN DER STRAATEN  
Secrétaire Général  
O.I.C.A.

cc: M. E. Di Camillo, OICA President

**INTERNATIONAL MOTORCYCLE MANUFACTURERS ASSOCIATION**

Dr. N. ROGERS  
Secretary General  
I.M.M.A.

**EUROPEAN FEDERATION FOR TRANSPORT AND ENVIRONMENT**

Monsieur M. ZIMMERMAN  
Président  
T&E

**INTERNATIONAL ORGANIZATION FOR STANDARDIZATION**

Monsieur L. EICHER  
Secrétaire Général  
I.S.O

**ANNEX VII. RESOLUTION No. 1186 OF THE COUNCIL OF EUROPE  
ON EUROPEAN TRANSPORT POLICIES<sup>1</sup>**

*(Extract from the Official Gazette of the Council of Europe – April 1999)*

1. The Assembly has taken note of the 42nd and 43rd annual reports of the European Conference of Ministers of Transport (ECMT) covering 1995 and 1996 respectively and the more recent developments in the transport situation in Europe.
2. The Assembly welcomes the growing membership of the ECMT, now standing at thirty-nine and including Russia which joined in 1997, as well as the increasing number of associate members and observers. It notes with particular interest the joining of numerous countries from south-eastern Europe and central Asia, considering the urgent need to upgrade transport links from the Caspian Sea region – rich in oil, gas and other natural resources – and other parts of Europe. The Assembly believes that the ECMT, in its capacity as the only pan-European transport policy organisation fully specialised in this field, must be given adequate resources to cope with the challenges resulting from the enlargement of its membership and the growing importance of its mission.
3. The Assembly fully recognises and encourages the central role of the ECMT as a "political bridge" between those of its member states which do not belong to the European Union and the latter. In view of future European Union enlargement and the introduction of the European Union single currency, it is seen as a measure which is likely to increase trade, and hence transport, significantly. The Assembly calls on the non-European Union countries to do their utmost to accommodate the *acquis communautaire* of the European Union, and on the European Union to respect the particular circumstances and concerns of non-members, with respect to the environment in particular.
4. The Assembly also welcomes the ECMT's close co-operation with the United Nations Economic Commission for Europe (UN-ECE) on many technical aspects of transport, as it would similar co-operation with the European Civil Aviation Conference as regards the widening interface between ground and air transport.
5. The Assembly notes with regret that, forty years after the entry into force of the Treaty of Rome with its promise of a common transport policy, and a decade after the overcoming of the ideological division of Europe, a common pan-European transport policy is not yet a reality. This notwithstanding, the Assembly commends the ECMT on its efforts to forge such a policy, which the Assembly considers vital to the continent's future prosperity and peace. Such a common approach is all the more urgent since road congestion is reaching intolerable levels, rail transport is in urgent need of modernisation, waterways, short sea shipping and sea lanes continue to be insufficiently used and pressure on the environment shows no sign of abating. In short, inaction is beginning to inhibit further economic development and countries' growing together.

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1. Assembly debate on 29 April 1999 (15th Sitting) (see Document 8170, report by the Committee on Economic Affairs and Development, rapporteur: Mr Bloetzer). Text adopted by the Assembly on 29 April 1999 (15<sup>th</sup> Sitting).

6. The Assembly believes that such a common pan-European transport policy should be inspired by the following principles:
  - i. a common pan-European transport policy must be proactive rather than reactive, strategic rather than tactical, farsighted and geared to future needs and requirements rather than short-term;
  - ii. every effort must be made to catch up with the insufficient investment in transport infrastructure incurred over the last two decades, in particular with regard to the maintenance of roads, bridges and railways, utilising the most modern technology to this end;
  - iii. no part of Europe must be left outside the overall transport approach chosen, in order to permit all countries and regions to contribute to, and benefit from, harmonious overall growth and development. Particular attention has to be given to transport links between the countries of central and eastern Europe, and those from that region to western and south-eastern Europe;
  - iv. Europe must build on the transport potential of all available modes of transport in order to achieve a better balance between them, laying particular emphasis on their capacity to link up smoothly with one another. In the present situation, this implies incentives to move goods traffic from road to rail (in particular through combined transport), inland waterways, short distance sea shipping and maritime transport; and a wider choice in the transport of persons, in addition to roads, ranging from collective transport in cities to more high speed trains on medium distances between cities;
  - v. competition should be enhanced within each transport sector as well as between them, building on a number of principles. These include safety, subsidies for modes of transport that are valuable for society as a whole modelled in such a way as to ensure fair competition among them, and consideration of the total costs to society and the environment of different modes of transport, notably road transport. In the case of railways, such an evolution may include increased separation between ownership of infrastructure and its use, deregulation and even, as the case may be, privatisation and bolder co-operation among national authorities to reduce the disadvantage suffered by international rail transport vis-à-vis road transport;
  - vi. the interests of people and the environment should take precedence over those of optimal transport efficiency, especially when it comes to safety issues and to the harmful effects of road traffic and infrastructure in sensitive rural and mountain regions, including the Alps, above all on public health. This has become particularly clear after the disastrous fire in the Mont Blanc tunnel in March 1999, which claimed over forty lives. Recognition should be given to the importance of the car for transporting people and improving their quality of life. There must be a fair distribution of costs among all road users proportionate to the environmental and other damage they cause.
7. The Assembly notes with concern the major disruption of transport links in south-eastern Europe caused by the armed conflict in Kosovo and surrounding areas. This includes international traffic on the Danube which has come to a virtual standstill following the bombing of numerous bridges in the Federal Republic of Yugoslavia, and road, rail and air transport through not only that country, but also other countries in south-eastern Europe. It is essential for the long-term development of south-eastern Europe that hostilities be brought to an early end and that the rebuilding of transport links be accompanied by generous international assistance.



8. The Assembly calls on ECMT and Council of Europe member states to contemplate innovative ways of reducing road congestion, such as better adapted working hours and encouraging work from home, using computers.
9. The Assembly welcomes the major liberalisation of international road transport under the ECMT's multilateral quota system, and strongly supports its more recent emphasis on linking this system with a requirement for vehicles which are both safer and more environmentally sound. It calls on ECMT member states to intensify their efforts under this programme. Furthermore, it must be ensured that the newly liberalised cabotage rules for road transport in the European Union give rise to fair competition among all European Union member states.
10. Recalling its Resolution 1147 (1998) on the threat to Europe from economic crime, the Assembly calls on the ECMT, in co-operation with the European Union and the UN-ECE, to step up its efforts to combat the sharp increase in criminal acts affecting international transport, such as fraud in the transit system, the theft of vehicles and goods, and attacks on drivers.
11. The Assembly welcomes the ECMT's work on behalf of vulnerable categories of society, such as children, pedestrians, cyclists, the handicapped and the elderly. Considering the rapid ageing of most European societies, it invites the ECMT to explore the possibility of organising a joint conference with the Council of Europe on European transport policies in an ageing Europe following that held in 1994 on road safety education for young children and teenagers.
12. The Assembly considers that adequate public transport reduces congestion and limits damage to the environment and the architectural heritage. It asks the ECMT to step up its work in this field and to encourage the formulation of a concerted policy involving national governments as well as regional authorities.

**ANNEX VIII. REPORT TO THE GOVERNMENTS' PARTIES  
TO EUROFIMA'S CONVENTION  
FINANCIAL YEAR 1999**

In its 43<sup>rd</sup> business year, EUROFIMA contributed again to the development and integration of the European rail sector by facilitating significant investments in railway equipment. In particular, some scarce capital resources could be mobilised for investments in central and eastern European railways, where modernisation and renovation needs remain acute.

In June 1999 the Bulgarian State Railways became the 22<sup>nd</sup> European railway company to join EUROFIMA.

The pursuit of a cautious business policy and the ongoing strengthening of the company's financial base remain EUROFIMA's permanent objectives. In this regard, as in previous years, the company's non-subordinated issues were rated Aaa/AAA by Moody's Investors Services and Standard and Poor's Corporation.

As a result of its excellent creditworthiness, EUROFIMA was able to offer attractive financing conditions. New issues, concluded in 9 different currencies, reached a total of CHF 4.1 billion. With CHF 6.0 billion, total repayments and early redemption of issues and loans reached a very high level. Thus the balance sheet total decreased by 0.8% to reach CHF 32.6 billion.

The railway equipment financed during the financial year included 385 main-line locomotives, 36 shunting locomotives, multiple-unit trains (135 motor units and 170 trailer cars), 166 passenger cars, 1,517 freight cars and 17 other types of equipment, used primarily for the maintenance of the tracks.

The general rise in interest rates and a larger allocation to the provisions weighed on EUROFIMA's financial results, which did not reach the record level of the previous year. Cash flow decreased by 15.5% to reach CHF 59.5 million. With the goal of reinforcing primarily the coverage of country risks, total risk provisioning was increased by 25%, reaching CHF 15.0 million in 1999. At December 31, 1999, "past due or overdue" amounts on financing contracts concluded with the railways of the Federal Republic of Yugoslavia rose to CHF 19.4 million. Due to this stronger build-up of risk provisions, net profit diminished by 23.7% to reach CHF 44.3 million. With last year's unappropriated surplus carried forward, CHF 23.7 million will be allocated to the reserves. Finally, the statutory maximum dividend of CHF 20.8 million will be distributed on the paid-in share capital.

The past decade has been marked by a profound restructuring and reorganisation in the European rail sector. This process has led to an increased independence or privatisation of railway companies. Whatever their form of ownership, one of the main issues facing railways today is the necessity of funding considerable investments in rolling stock and infrastructure. In order to improve productivity and compete effectively with other modes of transport, significant resources must be invested in the modernisation of rolling stock, terminals, information systems, workshops and stations. Since long-term capital and reasonable return expectations are required, these investments call for all stakeholders, private or public, to act in partnership.

The EUROFIMA model has demonstrated its capacity to be an efficient and practical form of co-operation for funding railway investments and spreading the related risk. The new millennium will challenge all interested parties to make wider and more active use of such a partnership. EUROFIMA is well equipped to meet these future challenges and become an even more useful instrument for the

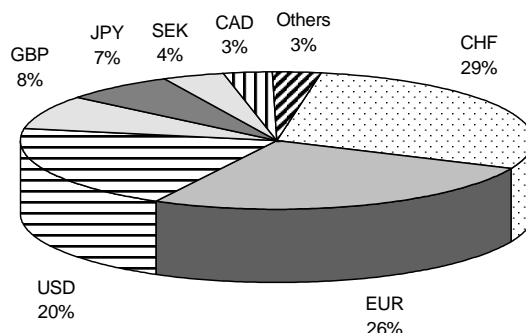
mutual benefit of all stakeholders. In this respect, two proposals for extending the activity of the company, the one to railway infrastructure and the other to a larger circle of operators, was the subject of exploratory works during the past year.

The company is expected to sustain a satisfactory level of performance over the next twelve months. While the cash flow for the year 2000 should approximate the 1999 level, funding requirements are expected to be lower than in the previous year. This should be viewed in the context of the continuous restructuring of railways and the resulting lower reliance on debts to finance their investments in railway equipment. Operating costs should remain well under control. In order to strengthen further the company's high creditworthiness and financial solidity, a continuing build up of the company's provisions and reserves is foreseen.

### Financing

Based on exchange rates at the balance sheet date, financing in 9 different currencies reached the equivalent of 4 119 million Swiss francs.

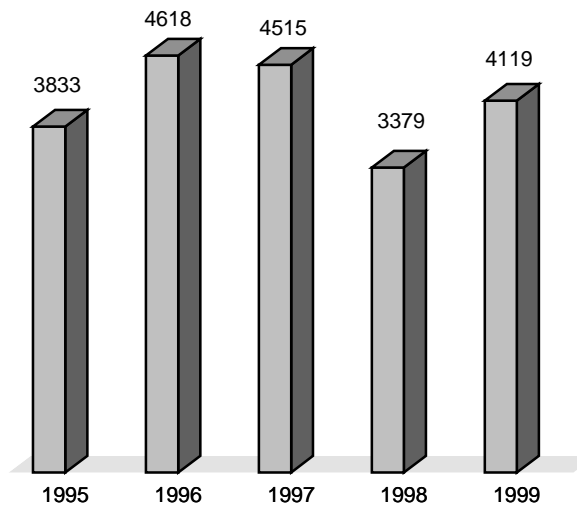
#### Distribution of financing according to currencies



Source: EUROFIMA.

Type of financing	Equivalent in million CHF
Bond issues	1 165
Programme for the Issuance of Debt Instruments	1 746
Loans	598
Commercial paper	610
<b>Total</b>	<b>4 119</b>

### Evolution of financing (in million CHF)

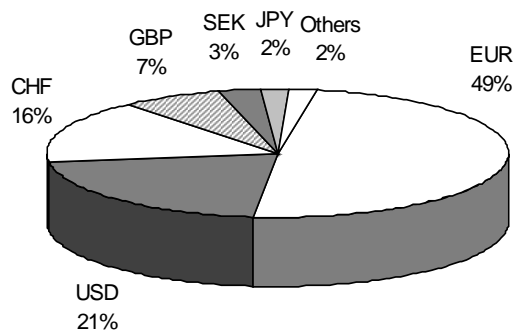


Source: EUROFIMA.

### Repayments

Based on exchange rates at the balance sheet date, repayments in 8 currencies reached the equivalent of 5 977 million Swiss francs. Of this amount, 989 million Swiss francs were due to early redemptions on long- and medium-term financing and 898 million Swiss francs to repayments on short-term financing.

### Distribution of repayments according to currencies



Source: EUROFIMA.

### Equipment financed during the financial year 1999

EUROFIMA concluded 32 contracts with 13 member railways or their affiliates for the financing of railway equipment or leasing contracts concluded by its shareholders. The railway equipment and the total equivalents in Swiss francs involved in these contracts are given in the following exhibit.

Country	Railway/Company	Locomotives			Multiple-unit trains		Passenger cars	Freight cars	Other equipment	Amount of financing (in million CHF)	
		main-line		shunting	motor units						trailer cars
		diesel	electric		diesel	electric					
Germany	DB AG		221							642	
France	SNCF		44	4		22	90			309	
Belgium	SNCB		29							80	
Spain	RENFE					60	72			289	
Sweden	SJ		38							159	
Austria	ÖBB		1	1			2	199		52	
Portugal	CP		8	11	4		26	519		120	
Hungary	MÁV	14	25	17	35	3	31			48	
Croatia	HZ	3	1		2	4	4	105	624	17	11
Former Yugoslav Republic of Macedonia	CFARYM						2				2
Raab-Odenburg-Ebenfurter Eisenbahn AG	ROeEE/GySEV		1	3							1
CISALPINO AG						5	4				10
CRL Car Rail Logistics GmbH								175			24
<b>Total</b>		<b>17</b>	<b>368</b>	<b>36</b>	<b>41</b>	<b>94</b>	<b>170</b>	<b>166</b>	<b>1 517</b>	<b>17</b>	<b>1 747</b>

The contracts are generally concluded for the maturities of the funds raised.

EUROFIMA holds title or security interests deemed equivalent (in particular pledges) to the railway equipment financed until the funds have been fully reimbursed.

### Equipment at December 31, 1999

The following table indicates the equipment of member railways or their affiliates to which the company holds title or security interests deemed equivalent, in particular pledges.

Country	Railway/ Company	Locomotives			Multiple-unit trains			Passenger cars	Freight cars	Other equipment
		main-line		Shunting	motor units		trailer cars			
		diesel	electric		diesel	electric				
Germany	DB AG BEV		245 2	12	91	22 15	126 130	5 90	3 161 572	5
France	SNCF	22	360	92	28	505	1 243	1 736	95	
Italy	FS		215			197	364	671	3 209	
Belgium	SNCB		233	39		442	402	988	5 067	
Netherlands	NS		92	80		104	192	350		
Spain	RENFE	85	84	115	180	530	457	361	1 794	
Switzerland	SFR		75			73	219	227	60	
Yugoslavia	JZ		20	41	3	18	37	90	1 188	
Sweden	SJ	89	240			83	215	429	6 100	
Luxembourg	CFL		20	11		24		2	12	
Austria	ÖBB		79	64	19			172	611	
Portugal	CP	4	35	16	28	76	107	45	601	
Greece	CH	20		14	86		73	68	301	
Hungary	MÁV	62	107	68	244	11		163	410	
Croatia	HZ	15	28	9	23	24	32	159	1 040	17
Slovenia	SZ	1		3				5	38	
Bosnia and Herzegovina	ZBH							5	102	
Former Yugoslav Republic of Macedonia	CFARYM		1		12	4	36	9	2	
Turkey	TCDD							24	502	
CISALPINO AG						41	40			
CityNightLine AG								47		
Hupac AG									284	
Raab-Ödenburg-Ebenfurter Eisenbahn AG	ROeEE/AGGySEV		5	9				9		
CRL Car Rail Logistics GmbH									175	
Total		298	1 841	573	714	2 169	3 673	5 655	25 324	22
under construction			101	9		4	15	16	262	

OECD PUBLICATIONS, 2, rue André-Pascal, 75775 PARIS CEDEX 16  
PRINTED IN FRANCE  
(75 2000 15 1 P 1) ISBN 92-821-1268-3 – No. 51553 2000