

# Transport trends and challenges in the road sector

UNECE Working Party on  
Transport Trends and Economics  
Geneva, 7 September 2010

*Jens Hügel*  
*Head – Sustainable Development*



# This is the IRU





# Evolution of IRU Membership

**Created  
1948**

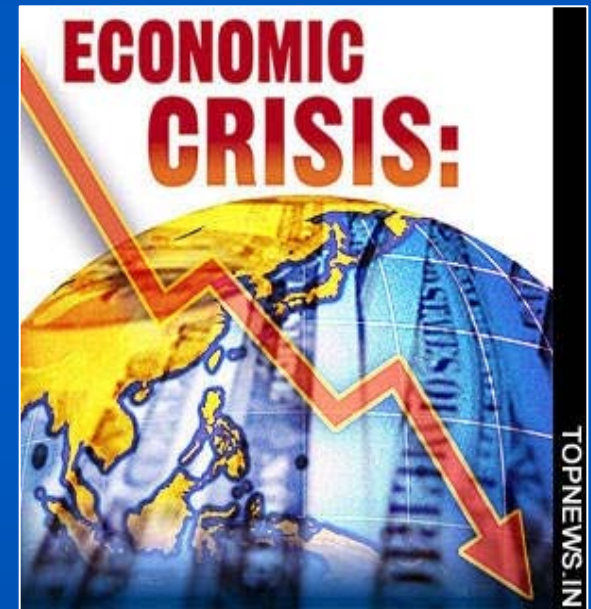
**National Associations  
from 8 founding countries**



**2010  
180 Members  
74 Countries**

# Impact of the Economic Crisis on Road Transport in 2009

- International road freight transport output (t/km) was down by 25 to 35%;
- Revenue development in international transport decreased by 25 to 35%;
- Driver employment has decreased by more than 10%.





# A large number of companies faced financial difficulties!

1839	48	460	HOOT	22.0	2020	22.0	250	TK	
48	4270	48	050	REDIAG	555	6	605	0.40	THNY
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256	360	360	024	SAFARI	254	250		204	ZHICO
095	2	095	0.0	TRAF	0.71	0.20	0.38	0.0	APURE
474	420	474	049	UBC				40	BAIDO
11	11.0	11	070	AOL	302	304	302	050	HTC
675	630	625	020	AEDNTE	42	4250		47	KSL
605	620	615	00	ATCO				650	LST
910	875	865	05	ASL	100	125	125	015	PALEE
05	051	05	0	ASP	322	324	324	045	WFO
045	070	065	065	BC				040	OISHI
525	525	525	005	BLS		1.00	1.00	040	PR
0550	05	05	1.00	CHG		33	3250	450	POPPUI
0550	3275	3275	005	FNS		11	050	030	PR

**Number of bankruptcies in the road transport sector increased by at least 20% in 2009!**





# Economic Crisis Jan- July 2010

## IRU Questionnaire

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 **Transport output (national +10%, int. unchanged)**

 **Costs (0% to +10%)**

**= Freight Rates**

 **Revenue Development**

 **Employment (driver unchanged, office staff -10%)**



# Economic Crisis Jan- July 2010

## IRU Questionnaire

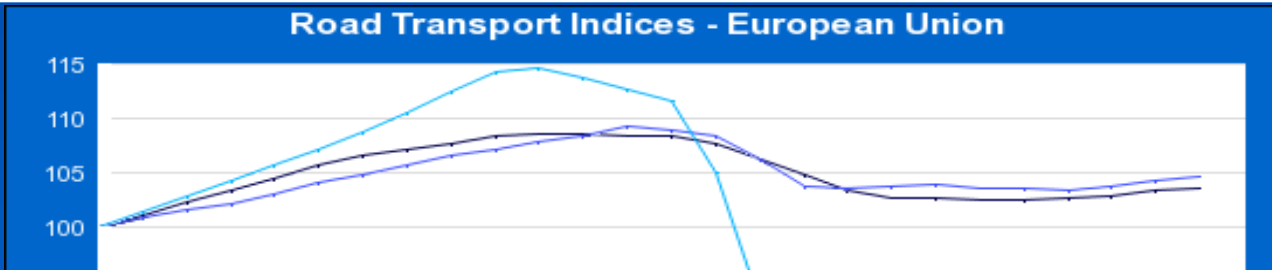
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### **≡ Insolvencies**

**Fragile growth with a lot of uncertainties.**

**➔ Return to normal growth rates in 2011**

# Vehicle production in the European Union



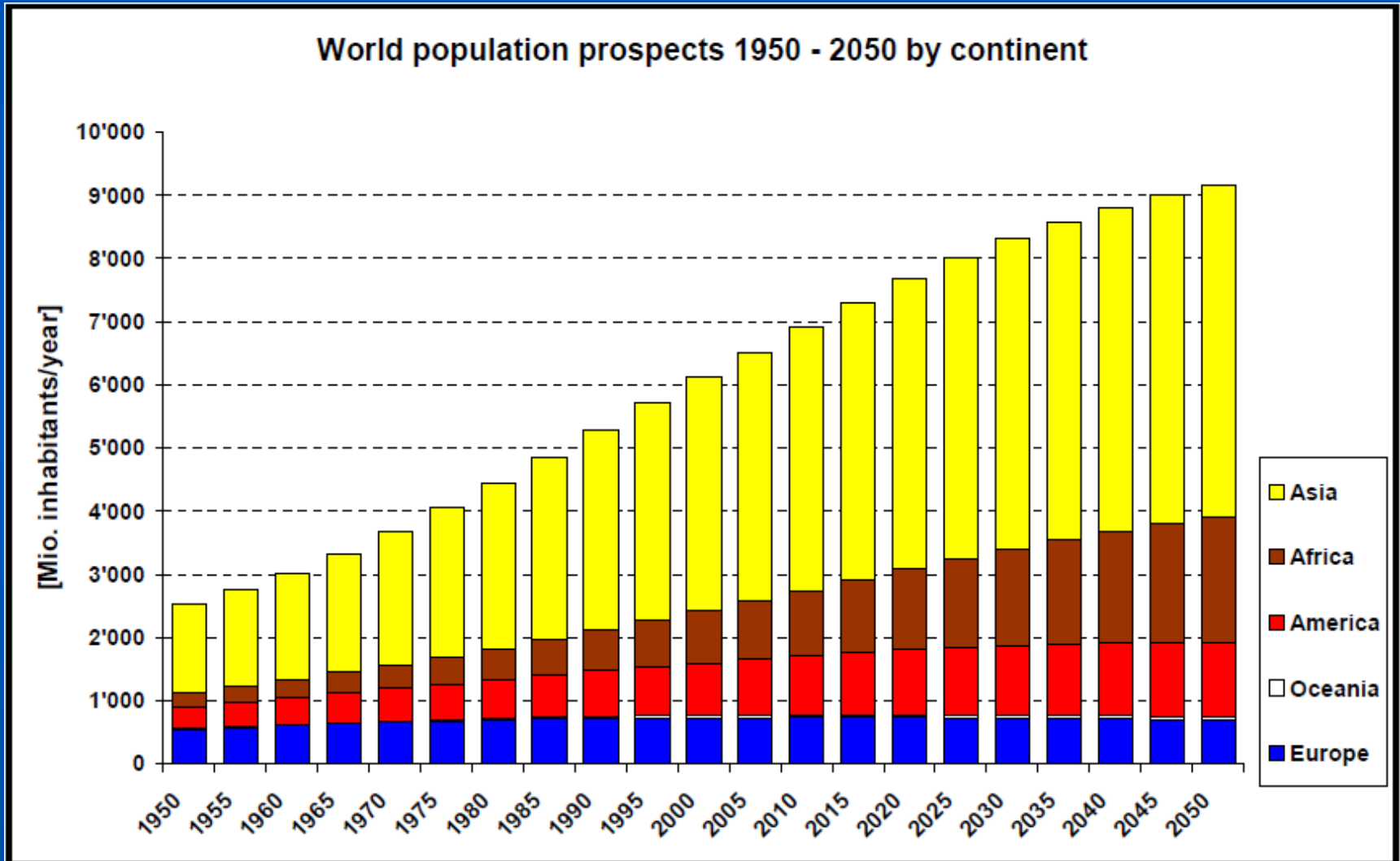
**Vehicle sales decreased  
by more than 40%!**

Index	Base		Forecast			
	2005 - 1 <sup>st</sup> Quarter		2010 - 1 <sup>st</sup> Quarter		2011 - 2 <sup>nd</sup> Quarter	
	Index	Value	Index	Value	Index	Value
Road Freight Transport (Million tonnes)	100.0	3960.2	102.5	4059.2	103.6	4104.6
GDP (\$ Billion)	100.0	2932	103.6	3036.1	104.6	3067.9
Truck Registration (Nb Registration)	100.0	94633	62.2	58859	62.89	59517

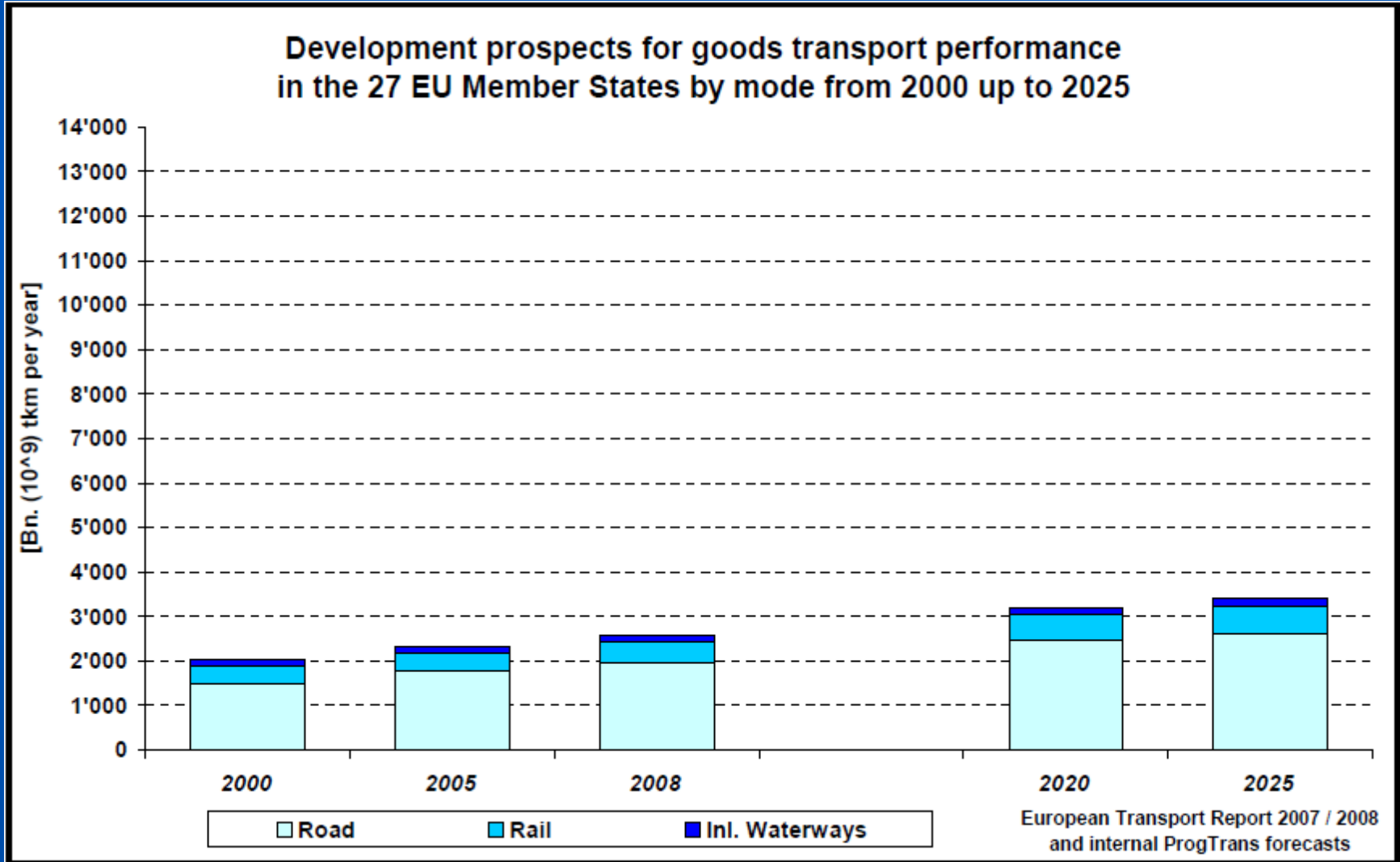


# Long Term perspective

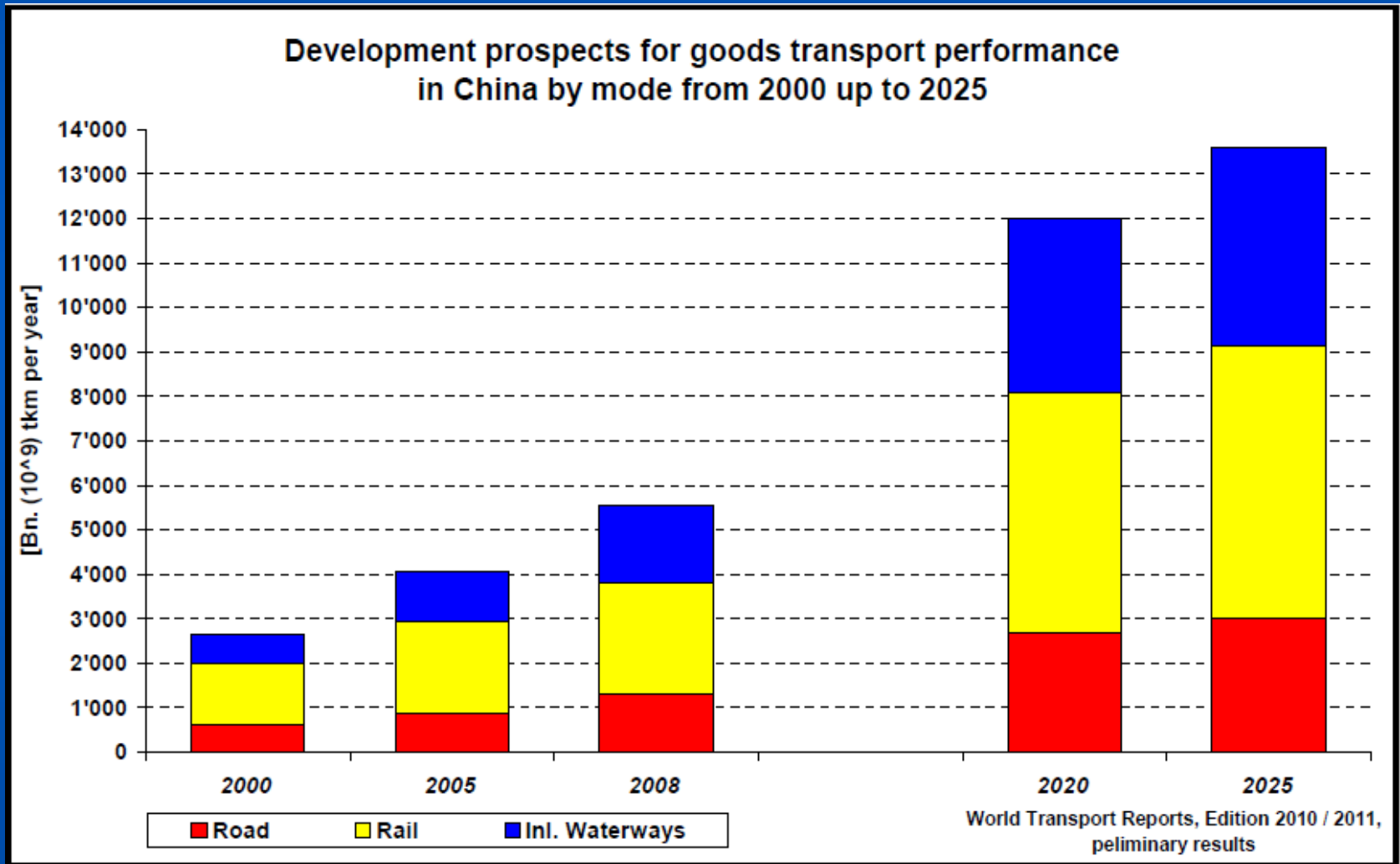
## Key driver – world population



# Transport development lags behind in Europe!



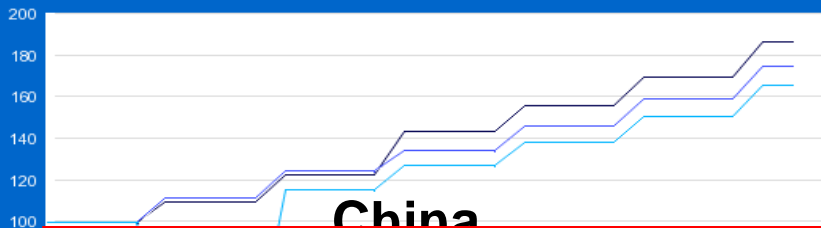
# Transport development is forging ahead in China!



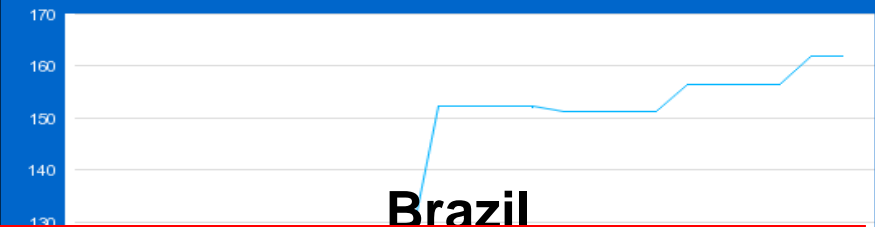


# Global economic trends - BRIC countries

IRU Road Transport Indices - People's Republic of China

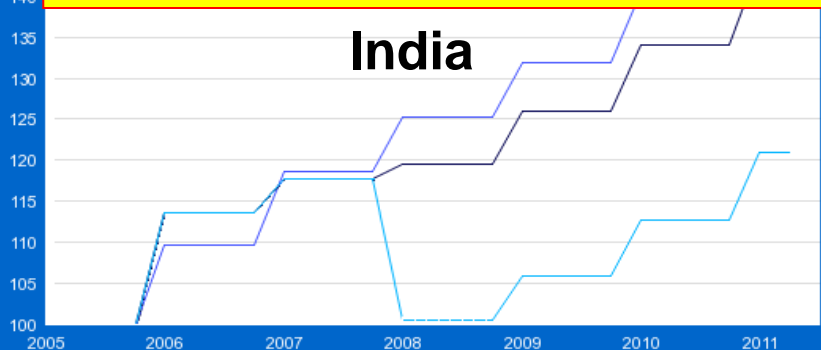


IRU Road Transport Indices - Brazil



**Driving engine of economic recovery –  
The BRIC countries!**

India




Russia





# IRU Resolution on the impact of the economic crisis on road transport

the world road transport organisation  International Road Transport Union

AG/09360/JHU Geneva, 3 April 2009

**IRU Resolution to reduce the impact of the economic crisis on road transport**  
adopted unanimously by the IRU General Assembly  
in Geneva on 3 April 2009

**IRU Resolution to reduce the impact of the economic crisis on road transport.**

The International Road Transport Union (IRU), representing truck, bus, coach and taxi operators through its 180 Members in 74 countries on the 5 continents,

Considering that:

In today's globalised economy, professional road transport is no longer merely a mode of transport but a vital production tool for goods transport and tourism programmes, interconnecting every business to all world markets and providing safe, environmentally-friendly and affordable mobility for all

Due to the severe financial crisis which has started to turn into an economic crisis, the demand for vital road freight transport services has slowed down dramatically and the speed of the decline is even accelerating. Compared to the situation at the end of 2007, data for the last quarter of 2008 obtained from road freight transport associations and government sources point to


- a decrease in road freight transport activity of up to 50%.
- a doubling of the number of bankruptcies.
- a dramatic increase in unemployment (permanent or temporary layoffs), which already amounts to 140,000 jobs in the EU, 120,000 jobs in the CIS countries and 200,000 jobs in North America

The forecasts for transport for 2009 are extremely worrying. Haulage tariffs are generally in decline in the first quarter of 2009.

According to the tourist market, the same worrying situation will apply to the passenger transport market. Indeed, the taxi industry has already witnessed a 20% decrease in airport pick-up services.

**Urgently calls upon competent authorities to:**

- (a) ensure open markets and strive for the completion of the WTO Doha round.
- (b) intensify efforts to eliminate neo-protectionist barriers to international road transport.
- (c) reassess and reduce current taxes.
- (d) stop creating new taxes and charges and, in particular, stop the decision on the third Eurovignette Directive and the implementation of any discriminatory road user charges anywhere as they threaten economic development and competitiveness.

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IRU Resolution

SUJET 444  
No 16 AVR 2009  
REPOUND  
VU

 WORLD ECONOMIC FORUM  
COMMITTED TO IMPROVING THE STATE OF THE WORLD

Dr Jennifer Blanke  
Director and Senior Economist  
Global Competitiveness Network

Geneva, 14<sup>th</sup> April 2009

Martin Marmy  
Secretary General  
International Road Transport Union  
3, rue de Varembe  
CH 1211 Geneva 20

Dear Mr Marmy,

It was a pleasure to address the IRU's General Assembly last Friday, 3 April 2009 and present the World Economic Forum's Global Competitiveness Report (GCR) with a perspective on reducing the impact of the economic crisis.

As I explained during the presentation, the GCR clearly highlights the vital importance of efficient road transport in ensuring the productivity and hence competitiveness of any country in today's globalised economy. As such, the Forum would encourage governments to put in place the appropriate measures to promote and facilitate road transport, as inefficient road transport hinders economic development. The GCR more generally underlines the importance of infrastructure and innovation for long term, sustainable economic growth and competitiveness. I was pleased to learn that these are two 'T's in the exemplary IRU 3<sup>rd</sup> strategy for achieving sustainable development.

Further, while the lack of infrastructure is a significant problem in some of the least developed countries of the world, inadequate procedures at borders are today one of the greatest impediments to trade and thus economic growth. This issue is explored in detail in the Forum's Global Enabling Trade Report (GETR).

Finally, in light of the anomalous cost to the economy represented by border waiting times, I would join you in encouraging governments to systematically transmit data to the IRU's Border Waiting Times Observatory. This would make it possible to include a measure of reductions in waiting times through the implementation of more effective border crossing procedures in the Forum's analysis.

Yours sincerely,



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Tel: (41 22) 869 1212, Fax: (41 22) 786 2744, E-mail: contact@weforum.org, www.weforum.org



# IRU Resolution – Strategy for Governments



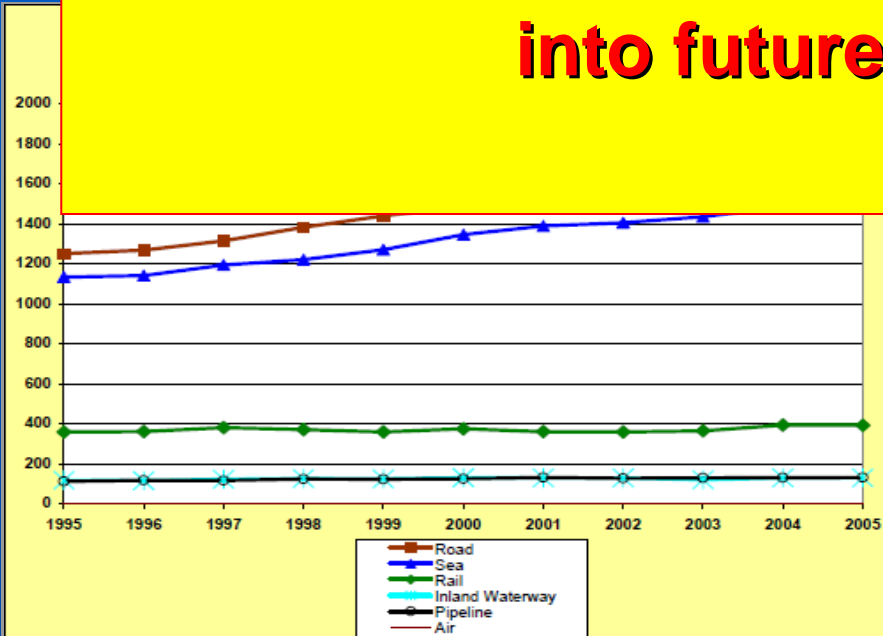
- Rejecting neo-protectionism
- Reducing costs
- Restoring credit
- Revising insolvency rules
- Reinvesting in roads



**ECONOMIC CRISIS:**



**Economic crisis – turning a challenge into future opportunities!**





# Road Freight Transport: Interconnecting every business and every transport mode between Europe and Asia – Focus on the Caucasus



*6<sup>th</sup> Euro-Asian Road Freight Transport Conference & Ministerial Meeting*



*Tbilisi, 16-17 June 2011*





**IRU**

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*Working together  
for a better future*

**IRU**

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