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**REVIEW OF THE TRANSPORT SITUATION IN UNECE
MEMBER COUNTRIES AND OF EMERGING DEVELOPMENT TRENDS**

Note by the secretariat

The purpose of this document is to provide the Inland Transport Committee with a short review of the transport situation in the UNECE region in 2004, including some provisional trends and indicators of the transport activity. The document highlights obstacles to the development of transport and some experiences in governmental regulatory activity related to the transport sector. The document also points out to some key issues that are likely to dominate the agenda of transport policy makers in the forthcoming period. It has been prepared by the secretariat on the basis of the contributions of the following countries and institutions: Belarus, Finland, Lithuania, the Netherlands, Norway, Poland, Romania, Sweden, Switzerland, United States of America, and the International Union of Railways (UIC).

The note consists of a brief synthesis of the main facts and trends and an annex containing short highlights of some of the transport developments. Country contributions are structured in three parts: I. Traffic trends; II. Obstacles to transport development, and III. Best practices in transport and infrastructure regulation. **Contributions in full are available from the Inland Transport Committee Internet address: <http://www.unece.org/trans/Welcome.html>**

I. TRANSPORT TRENDS

1. The economic situation in the UNECE region continued to improve in 2004. Real GDP in the United States of America was expected to increase by 4.5 % in 2004. For the member States of the European Union as a whole (EU-25), real GDP was forecasted to increase by 2.2 % in 2004. This modest average masks a significantly better performance in the new EU member States where economic growth was led by a strong economic upturn in Poland and a continued growth in economic activity in the Baltic region. Taken as a whole, the aggregate GDP of the new EU members was set to grow by some 4.5 % in 2004. Economic growth in South-East Europe was expected to remain relatively strong. GDP growth in Bulgaria and Romania was expected to continue at close to 5 % while in Turkey it was forecasted to reach up to 4.5 %.

2. In the commodity exporting CIS countries, growth in the prices of commodities, and oil in particular, has given a considerable boost to the economies of. The Russian Federation's GDP was forecasted to grow by close to 6 % in 2004. In Kazakhstan, another major commodity exporter, GDP growth was expected to be close to 10 % in 2004. In smaller CIS economies, economic growth was expected to remain high in the commodity exporting countries, with GDP growing at rates in the high single digits. In contrast, rates of GDP growth in most of the countries that are not commodity exporters (such as Armenia, Georgia, the Republic of Moldova and Uzbekistan) were generally expected to remain below the CIS average in the short run.

3. In line with these varied economic developments and according to estimates, traffic volumes in 2004 appeared to have increased as compared to those in 2003 throughout the UNECE region. However, according to these early information and data, both passenger and freight traffic patterns differed between transport modes, between sub-regions of the UNECE as well as between member countries.

4. After several years of decline, railway freight transport in Western Europe (EU and EFTA countries) increased, on average, compared to 2003. The average growth rate in transported tonnes was 1.5 % and in ton-km 1.8 %. This growth had to be attributed largely to the new EU member countries, where railways still have a more prominent place in the transport market than in the EU-15. However, in some countries (Denmark, Luxembourg and Portugal) freight volumes grew remarkably at 9.9 %, 7.1% and 12.6 % respectively. The number of rail passengers and passenger kilometres continued to increase slightly, by 1.8 % and 0.9 % respectively.

5. In South-east Europe, compared to the same period of 2003, the volume of tons carried decreased by 1.4 % but increased by about 4.0 % for tonne-kilometres. A significant increase was recorded in Bosnia and Herzegovina, Turkey and Serbia and Montenegro. Transport of freight in the CIS increased by 6.0 % in tonnes and by 6.7 % in tonne-kilometres with the highest growth in Belarus and Uzbekistan. Passenger rail transport reversed the upward trend shown in the previous year, and declined. The number of passengers decreased by 0.2 % and passenger-kilometres by 4.8 %. In Bosnia and Herzegovina and Serbia and Montenegro, the number of passengers grew by 14.9 % and 4.0 % respectively, while in Bulgaria and Turkey a decline of 12.0 % and 9.8 % respectively was recorded in 2004.

6. Road transport continued to dominate as the principal transport mode across Europe. Preliminary data show that road transport appeared to have grown in 2004. Passenger road transport continued to grow in all countries, although the growth was slower in EU and EFTA countries, with a larger part of growth attributed to public transport. In Central and Eastern Europe and CIS countries, most of the growth is attributed to private passenger transport by road vehicles. In Central and Eastern Europe, a strong trend towards private car ownership and fast growth of road freight transport in these countries remained uninterrupted in 2004. The share of road freight transport continued to grow, albeit more slowly in EU and EFTA, and faster in the rest of Europe including the CIS.

7. In the CIS, goods transport grew during the first nine months of 2004 about 6.0% compared with the same period of 2003. A major contribution to such developments came from the continued opening of CIS economies, dynamics of external trade, the growth of their agricultural and industrial production, and the increase in oil prices, which led to increased extraction and export of oil. To illustrate the dynamics of their trade, the total external trade volume of CIS countries between 1993 and 2001 increased five times, while the EU trade with them increased almost four times in the same period. In Central and Eastern European, non-EU countries as well as in some CIS countries, road transport continued to maintain and, in some cases, further increase its share in the total freight transport market.

8. In the United States, traffic volumes grew by 5-6 % in 2004, with passenger traffic growing somewhat faster than freight. Growth in freight traffic volumes was led by air freight, which has been the fastest growing mode of freight traffic for the past decade. Road, rail and pipeline traffic grew steadily. International transport grew about 12 % in 2004 growing equally at sea ports and at land border crossings with Canada and Mexico. Passenger transport growth was led by air transport while rail passenger volumes fell.

9. Early data also indicate that the share of inland waterway transport remained unchanged. Growth was slower than could have been expected in view of economic development and growth in European economies, and regarding the capacity and costs advantages of inland water transport in Europe. Transport of containers continued to grow, and traffic on the Danube increased slightly faster after having reached a very low level in previous years.

10. Shifting the modal split at European level in favour of rail was not achieved in 2004, and road transport continued to dominate the EU freight transport market with a share of about 76 %. This share varies across Europe, reaching 79 % for the EU 15 countries. In some countries, it is close or slightly over 90 % (Luxembourg, Portugal, Italy) and in some others it goes down to about 50 % in Lithuania, 40 % in Estonia and about 28 % in Latvia.

11. As far as combined transport is concerned, provisional figures indicate that the growth rate of international traffic in the first half of 2004 was 5 %, while national combined transport grew at about 2 %. Transport of swap bodies, containers and semi-trailers achieved two-digit growth rates, but the EU enlargement led to a slump in the rolling roads because authorization constraints for road transport companies in the new EU countries were no longer applied. With price reduction and shift to routes which are more suitable for companies in third countries, railways and operators succeeded in limiting this negative trend.

TRENDS IN INLAND GOODS TRANSPORT IN THE UNECE REGION IN 2004**(Estimates and projections)**

	GDP	Goods transport (tkm)			
		Total	By road	By rail	
				Total	International
EU + EFTA	2.0 %	1.7 %	1.6 %	1.8 %	2.1 %
Russian Federation	5.0 %	N.a.	N.a.	N.a.	N.a.
CIS	8.0 %	5.3 %	4.9 %	6.7 %	2.5 %
South Eastern Europe	4.8 %	4.6 %	4.8 %	4.0 %	27.9 %
Turkey	4.8 %	N.a.	N.a.	13.5 %	47.8 %

Notes: Figures in the table are estimates and projections made by the secretariat and are intended to indicate orders of magnitude only.

N.a = Not available.

12. The growth of international goods transport by almost all transport modes in Europe was higher than that of national transport. In almost all member countries, international rail goods transport had higher growth than domestic. In cases where there was a decrease compared to the previous year, the negative rate was lower for international than for national freight transport, although 2004 was characterized by a strong demand for both international and domestic transport. This was due partly to a more favourable economic situation in Europe, partly because of additional transport demand following the accession of new countries to the EU, and partly due to increase in transport between Europe and Asia, mostly China.

II. OBSTACLES TO TRANSPORT DEVELOPMENT

13. During 2004, infrastructure related obstacles continued to be one of the major concerns of Governments. In the new EU member countries, obstacles could be identified on several fronts. Capacity and the quality of transport infrastructure continued to represent an important barrier. In some countries, only a fraction of their road network was suitable for the maximum axle load allowed in the EU, and large sections of the remaining network need upgrading. Road and rail infrastructure in CIS and South-eastern Europe were also in great need of investment, which is even more evident as they are coping with growing transport demand.

14. Congestion related problems are increasingly limiting mobility and accessibility in many countries. Limited infrastructure capacity and sustained growth of transport demand continued to create congestion problems on some major traffic arteries and on roads around large cities in Western, Central, Eastern and South Europe. For a number of years, congestion was a more typical phenomenon for developed European countries and their major cities. However, it is now becoming an equally important problem on the roads and in the large cities in the Russian Federation, Poland and other countries in the region. In the United States, congestion is also a

very important problem, as the quantity of road infrastructure has not expanded to match growing demand. The total hours of delay on US motorways has grown from 700 million in 1982 to 3.5 billion in 2002. The cost of these delays has grown from \$14.2 billion in 1982 to \$63.2 billion in 2002.

15. In several new EU countries as well as in a number of Southeast-European and CIS countries, vehicle fleets are being very slowly renovated. Thus, a large share of vehicle fleet remains aged and highly polluting, further aggravating safety and environmental impacts of transport.

16. A number of countries reported that the growing need and insufficient funds for road infrastructure maintenance could be seen as one of the important obstacles to transport development. While policy related, managerial and organizational aspects of the transport sector were seen before as obstacles, the quality and conditions of infrastructure are increasingly becoming identified as areas of concern. Although more pressing for less developed UNECE countries, financing of new infrastructure is also increasingly becoming an obstacle for transport development in developed UNECE countries. Provision of sufficient funds for infrastructure financing and issues related to methods and techniques of financing, continue to represent an equal challenge for more advanced and developed countries in the region as well.

17. In the Russian Federation and other CIS countries, both the quantity and quality of infrastructure, in particular in and around main cities, is viewed as one of the major obstacles to transport development. Construction of new links and systematic maintenance of the most important sections of the existing infrastructure remains to be one of the major concerns of the authorities in these countries. The vehicle fleet is becoming younger and less polluting but not sufficiently fast to slow down the growing negative environmental impacts. As the economies of these countries continue to develop, their transport systems may become even more strained to fill the gap between transport supply and the volume and structure of the demand for transport services, especially on main transport axes.

18. The fast growth of motorization, the increasing number of private vehicles and the simultaneous shift from public to private passenger transport, especially in the large cities of Eastern Europe, the Russian Federation and other CIS countries are increasing congestion. In addition, the transit capacity of the Russian Federation, Caucasus and Central Asian countries is steadily becoming more utilized. These developments require more attention by authorities.

19. Development and upgrade of transport infrastructure in some CIS countries continue to depend heavily on international financial contributions. However, the significant financial resources needed for further development of infrastructure in some CIS countries will only be ensured by a combination of sources of finance (including national and private), and various financing techniques.

20. Although almost all EU member countries, some Central and Eastern European countries and the Russian Federation carried out the process of separation of infrastructure and transport operations, the employment and social consequences of such decisions required additional efforts during the restructuring process.

21. Border control procedures and time delays on borders continued to be one of the important obstacles to further development in international transport. This is particularly relevant for railway border crossing operations. Long and complex border controls are still hampering the flows of freight and passengers. For landlocked countries in particular, forced to exclusively use inland transport modes, short and simplified border controls are especially important as they directly lead to lower transport costs, stimulate international trade and contribute to the growth of national economies.

22. Security and safety related issues in some UNECE countries continued to hamper transport development. Transport safety remains to be one of the concerns for a number of national authorities. Although safety related measures aimed at reducing the number of traffic accident victims are giving positive results in many countries, there are some instances where further improvements could be achieved.

III. REGULATORY DEVELOPMENTS AND BEST PRACTICES

23. Measures aimed at better regulating the transport market, ensuring funds for infrastructure and other investments, and improving the environmental performance of the transport sector have continued to be applied across Europe. Several Governments pursued measures aimed at opening the railways market and providing incentives to stimulate the development of inland navigation and combined transport. Promotion of rail and combined transport was an area of regulatory initiatives aiming at enhancing rail efficiency, reliability and competitiveness.

24. The transport sector in many UNECE countries has been going through important structural transformations for several years. Policy makers in almost all UNECE countries attach particular attention to the reform of the railway sector. In the Russian Federation, for example, Russian Railways was established as a state company and became one of the largest freight shipment companies in the world controlling 83 % of Russia's freight shipment market.

25. In Lithuania, the Long-term Strategy for Development of the Lithuanian Transport System was prepared so that it complies with Lithuania's national objectives and ensures their harmonization with the post-EU accession requirements. The main objectives of the strategy are to foster intermodality, interoperability and safe, sustainable and balanced multimodal transport development. Particular measures for different transport modes will be introduced in the coming years. In Poland, a National Road Fund was established in January 2004 in order to accelerate the infrastructure investments and to support the Government programme of motorways construction, modernization and maintenance. In Sweden, the Parliament has passed a bill on the long-term development of road and railroad infrastructure. The bill gives permission to authorities to plan road and rail investments for a total of 381 billion SEK in the period 2004-2015. In addition, investments in roads and railroads within the Trans-European networks have been assigned especially high priority by the Government.

26. In the United States, congestion pricing has been introduced on five motorways. The initial experience has been a positive showing that this measure has reduced congestion, increased travel speed, reduced pollution and has had generally positive distributional effects. Regulatory measures aimed at enhancing infrastructure planning and financing have not been

introduced only in new EU countries, Central and Eastern European and CIS countries. In several Western European countries, consideration of new methods of road pricing and experiments with Private-Public-Partnership continued.

27. The elaboration of regulatory measures for railway infrastructure charging was also becoming important. For example, the Swedish Parliament passed a new and comprehensive law on regulation of the railway system (rules and principles for access to network, fees, regulation of competition, etc.). The establishment of a new regulatory body – a separate railway authority – is a part of this reform. In Norway, the Government introduced an incentive-based state funding scheme for public transport in larger urban areas. The system rewards local authorities in larger cities who implement measures that encourage increased use of public transportation and less traffic by private cars. The experience in 2004 indicates that the scheme has helped local authorities to improve local public transport services.

28. In Switzerland, the positive effects of fiscal measures taxing road transport (performance-related heavy goods vehicle tax) accompanied with a simultaneous increase of the permissible vehicle weight, continued to increase the efficiency of road transport and, to a certain extent, modal transfer. Both developments are considered as positive results.

29. Germany has introduced the heavy goods vignette for vehicles using federal motorways. Most of the revenue raised from this toll is earmarked for improvement of the transport infrastructure and for facilitation of transfer from a budgetary system of infrastructure financing to a system where it is financed by users.

30. Further road traffic safety measures were taken in the Netherlands, where a campaign focusing on children of 4-12 years was launched with a toy which motivates children to wear seatbelts. In the Netherlands, the overall number of people wearing seatbelts has been increasing, due to a combination of intensive police control and information campaigns. In Norway, a penalty point system designated to cover violations of road traffic rules which constitute serious hazards to road safety and which are close to the limit where driving licences are automatically suspended was introduced in 2004. A preliminary experience shows that the public in general appreciates and understands both the content of and the motivation for the introduction of the measure.

31. In Romania, the focus of regulatory work was on further harmonization of the national transport legislation with that of the EU. Regulations were also developed in the field of the technical inspection of vehicles and in creating the necessary conditions for the renewal of the vehicle fleet. In the Netherlands, the ECO-Driving programme aims at motivating professional drivers and fleet owners to purchase and drive passenger cars, delivery vans, buses and lorries more energy-efficiently. The programme addresses the driving style of drivers, driving school curriculum, fuel-saving in-car devices, tyre pressure, and purchasing behaviour (car labelling). In some CIS countries, however, relatively dynamic economic development coupled with very rapid motorization have not been accompanied by an increased share of newer and less polluting vehicles leaving the vehicle fleets aged and with high levels of pollution.

32. The elaboration of more efficient transport financing schemes continued in almost all UNECE countries in 2004. Public private partnership (PPP) and innovative tendering are seen in

the Netherlands as options that could contribute towards a more efficient and earlier completion of infrastructure projects. Several projects in the Netherlands are considered as possible PPP projects, including the Rotterdam-Antwerp corridor, A2 motorway in Maastricht, etc. In the Russian Federation, for example, the Federal Road Agency received, for the first time, permission to finance road construction from toll charges. Three roads are planned: a Moscow-St. Petersburg motorway; a ring road for Moscow Oblast, and a new link between Moscow and the motorway to Minsk. The tender for the Moscow-St. Petersburg motorway will be announced soon and this decision indicates the intention of the Government to attract private sources of financing.

33. The European Union in April 2004 adopted the new Guidelines for the Trans-European transport network which include a list of 30 priority projects of European interest. The new Guidelines have a strong focus on the enlargement of the Union and the need to integrate the networks of the new member countries. The list of projects also aims at ensuring modal shift and more sustainable mobility patterns by focusing investments in rail and waterborne transport. A strong focus is put on cross-border projects. In June 2004, the Memorandum of Understanding on the development of the South East Europe Core Regional Transport Network was signed by involved countries and the EU. The objective of the MOU is to provide a framework for cooperation on the development of the main and ancillary infrastructure in South East Europe and enhance policies in this area which facilitate such development. Another infrastructure related development took place in July 2004 when a High-Level Group was set up to identify priority projects for an extended pan-European infrastructure network stretching from the enlarged EU to neighbouring countries to the east (Ukraine, Republic of Moldova, Belarus) and to the Mediterranean area.

IV. OUTLOOK

34. In 2005, the growth of the euro-area economies is expected to reach 1.9 %. In Central and Eastern Europe, the growth was expected to maintain a relatively high level with variations between 3.4 % and 7.0 %. In the Russian Federation, the Ministry of Economic Development and Trade forecasts 5.8 % GDP growth in 2005. However, such developments will depend on many international factors. In CIS countries, the growth was expected to vary considerably from one country to another with an average of about 5.6 %. In line with these trends, passenger and freight transport demand across Europe and between the enlarged European Union and the rest of the UNECE region was expected to continue growing in 2005.

35. Measures to involve private sector funds in financing of new construction and maintenance of infrastructure, and to ensure financing schemes that would provide incentives for private sector participation will remain an important area of concern for Governments in the near future. In addition, policy makers across Europe will have to consider alternative infrastructure charging policies, modalities for their application and their economic implications. In order to ensure overall functionality of their transport system and to incorporate it into European transport structures, Governments across Europe will have to find the right balance of the above mentioned considerations with measures to affect modal split and increase safety on roads, tackle environmental concerns and reduce congestion in urban areas. There is a growing pressure in member countries to focus legislative concerns on further strengthening competitiveness in transport markets and their liberalization and the development of integrated transport systems.

Annex

SUMMARIES OF COUNTRY REPORTS

Belarus

1) Public transport share in passenger transport was about 73.5 % with the share of private passenger transport growing. In addition, it is estimated that public transport will continue to grow at the rate of 1-1.6 % while private transportation is expected to grow at the rate of 6.0 – 8.0 %. Freight transport by all transport modes has been continuously growing in the last 3 years at the rate of 3.3 % and 19.6 % in tonne-kilometres. 2) Lack of financial resources represent one of the major obstacles for the provision of higher quality services and renewal of road vehicle fleets with more fuel efficient and less polluting vehicles. In the railway sector, insufficient resources are also making replacement of the rolling stock difficult (the age of freight locomotives is between 12 and 27 years). Other important obstacles to transport development are: complex and long border controls in rail transport; complex procedures for transit of goods; insufficient capacity of some road border crossings; complicated and lengthy procedures for issuance of visas to Belarus professional drivers; and, insufficient quota for international transport by Belarus road haulers. 3) Several major infrastructure projects have been completed, including reconstruction of a section of the E-30 road. Also, a section of the E-30 from Minsk to the Lithuanian border and a number of border control posts have been covered with a system of mobile communications. An automatic system of border control of vehicles was introduced on a trial basis at Kozlovici border control point. In the area of regulations, several important instruments, covering international vehicle weight certificates, periodical inspection of vehicles, etc., have been ratified in 2004.

Finland

1) The annual growth of passenger transport between 2005-2008 is estimated between 1-3 % for rail transport, between 1-2 % for passenger cars, 1 % for buses and 2-3 % for aviation. Demand for freight transport has been growing but more moderately than the overall growth of the economy. The annual growth of freight transport has been estimated between 1-3 % for railways, 2-3 % for road transport, 2-3 % for aviation and 2 % for maritime transport. 2) Funding remains to be one of major obstacles, especially in the areas with high population growth where needs for investments in new infrastructure capacity is increasing. An overall increase between 10-15 % in road and railway maintenance is needed to meet the demand for transport services. 3) One projects on the E – road network has been opened for traffic in 2004 (section of Helsinki bypass road on E-18). Several other projects are under way also on E-18. In 2004, a ten-year infrastructure investment plan was published suggesting that, in the next two years, a number of transport infrastructure investments worth about € 1 billion will be initiated. The amount of infrastructure investment in 2003 was about 0.9 % of the GDP.

Lithuania

1) Transport sector share in GDP was about 9.7 % and about 5.2 % in total employment in 2004. Freight transport increased by 8 % in 2004 compared to 2003. Klaipėda Seaport continues to maintain a leading position among Baltic ports in the handling of containers. Road freight traffic

also grew between 2.5 – 3 % in 2004. The number of passengers transported by public transport increased by 3.7 % during the first three quarters of 2004 compared to the same period in 2003. 2) Major obstacles to further transport developments in Lithuania are: physical amortization of railway infrastructure and aged railways rolling stock; insufficient network of electrified railway lines and poorly developed rail connections with the EU; insufficient capacity of access roads and rail links to Klaipėda port; road bottlenecks around major towns; obsolete public bus fleet and unsafe and polluting vehicle fleets; congestion. 3) One of the major regulatory developments was the preparation of the Strategy for Development of the Lithuanian Transport System. Another important development was the inclusion of the Rail Baltica project into the list of EU transport priority projects. Also in 2004, the reform of the railway sector had begun to be implemented in accordance with the new legislation. There were also developments in maritime transport and inland navigation. In 2004, about 1.5 % of the GDP was earmarked for financing and investments in the transport sector. Important achievements were reached in the development of both rail and road E-networks and the development of links along the 9th Pan-European transport corridor.

Netherlands

2) Major obstacles to further transport developments are congestion and overdue maintenance of rail infrastructure. 3) The Ministry of Transport, Public Works and Water Management presented in 2004 a Mobility Policy Document, which contains transport policy until 2020 and measures aimed at creating conditions for road, rail, and inland mobility of passengers and freight transport with acceptable and predictable travel times. In the area of infrastructure investments, the Ministry intends to give priority to continued maintenance and traffic congestion in road and maintenance and control system for railways. The objective in road infrastructure development was to reduce the considerable backlog in the maintenance of national highways. The Ministry is further exploring the modalities of pricing policies considering the possibility of paying for the use instead of for ownership of a car. The Dutch Government intends to develop new innovative financing models for infrastructure and there are a number of potential PPP projects. In the area of safety, specific measures to restrict transport of dangerous goods will be incorporated into the policy document. The bill on Tunnel Safety is expected to be published in 2005. Driven by the rise of international terrorism, the new program entitled “Protection of Vital infrastructure” was developed to map the vulnerable infrastructure and offers potential solutions. Safety, health and environmental concerns are among the areas where important programs have been introduced or initiated.

Norway

1) Road traffic in Norway, compared to 2003, increased by 2.2 % in 2004. The highest increase was in road freight traffic. Rail transport continues to have a declining share over the last several years. 2) There have been no major obstacles to transport developments in Norway in 2004. However, the rail network is limited to a certain extent, and the road network is of varying quality. Road congestion is a problem only in some major cities and on some major routes. 3) A new penalty point system was introduced in 2004 designated to cover violations of road traffic rules. The violations such as speeding, dangerous overtaking, violating priority rules and driving against a red light will lead to penalty points. Two points will be registered for each violation and eight penalty points within three years will result in suspension of the driving licence for a

period of six months. A new organizational structure was introduced on a trial basis in major Norwegian cities aiming at improving their transport policy system. The decision-making process puts the local authorities to a larger degree in charge of their transport sector. Also in 2004, the Government introduced an incentive-based state-funding scheme for public transport in large urban areas.

Poland

1) In the first six months of 2004, only 0.5 % more freight was transported than in 2003. In the first nine months of 2004 railways carried 1.2 % more freight than in the same period of 2003, while road transport carried 2.6 % more freight. In the first half of 2004, public transport carried 2.4 % less passengers than in the previous year. 2) The main obstacles to transport developments in Poland were: obsolete and underdeveloped transport infrastructure; inefficiencies in rail transport; aged fleet, in maritime and inland waterways transport in particular; low quality of public transport services and insufficient level of road transport safety. 3) In January 2004, the National Road Fund was established with the aim of supporting the Government's motorway construction programme by accumulating financial resources for construction, modernization and maintenance of all national roads. In March 2004, the Law on transport of dangerous goods by rail was passed, and an amendment of the Law on rail transport was passed in April. The first is based on existing international solutions and the second introduces the notion of interoperability thus facilitating international rail operations. Finally, the Law on working hours of drivers was adopted in April, adjusting Polish regulations to the requirements of the EU. It is estimated that the total investments in transport infrastructure in 2004 amounted to approximately 0.8 % of GDP. In terms of major developments regarding E-networks, the main activities were on E-20, E-30 and E-65 rail and E-30, E-40 and E-75 road lines.

Romania

1) In the last two years, the growth of freight and passenger transport came mainly as a result of stronger economic activity and the large amount of investments in transport infrastructure. All transport modes showed a higher volume of traffic. In order to continue positive trends, the Government intends to further develop the motorway network, modernize existing roads and bridges, rehabilitate important railway sections and modernize main ports and airports. 2) Major obstacles to transport developments in road transport were: a failure to respect legislation governing the collection of traffic fines from foreign citizens; the need to simplify and make more flexible the existing legislation in line with the EU; the high number of traffic accidents, old vehicle fleet and insufficient training of professional drivers. Rail freight transport and mobility of passengers were reduced due to measures aimed at restructuring of the economy and industry. 3) Romania continued transposing the European Union legislation in road and rail transport. In 2004, three sectors of the Bucharest – Constanta motorway were completed, and work had begun on the Transylvania Motorway as well as preparations for the construction of the other two motorways projects, also included in the TEN network. In rail transport, rehabilitation of 91 km of the E-54 section was completed and rehabilitation of sections on E-562 and another section of the E-54 was initiated.

Sweden

1) During 2004, the number of private cars, buses and lorries as well as the total amount of travel continued to increase. Private cars account for a substantial part of the growth of total amount of travel. In recent years public transport, railway in particular, has increased its share of passenger kilometres. Road and maritime transport are equally important for freight transport. Railways account for about half of transport volumes. Road transport has been the fastest growing mode, while transport volumes in railway and maritime transport have been stable over years. 2) The Swedish transport system, in general, functions reasonably well. Access to transport services for people with disabilities has increased, as well as the quality of transport services in general. However, in the past year delays have increased in rail freight and air transport. Also, on roads in larger cities congestion is increasing. Safety is another concern, in spite of the fact that the number of road transport accidents in 2004 remained at the level of 2003. Further measures are required, including more traffic surveillance and measures related to driving under the influence of alcohol. Environmental concerns are equally high, especially regarding the emission of carbon dioxide by heavy freight vehicles. 3) During 2004, the overall road transport infrastructure investments were 10 % higher and in railways almost 25 % higher than in 2003. The total infrastructure investments were equal to about 1 % of GDP. In 2004, the Swedish Parliament passed a bill on the long-term development of road and rail infrastructure. This bill sets out the amount of funds that will be available for financing and attaches particular importance to road and rail investments within the TEN networks. Also in 2004, the Swedish Parliament passed a new and comprehensive law on regulation of the railway system and established a new regulatory body – a separate railway authority. Major investment projects covered sections of E-4, E-6 road lines as well as construction of a new bridge between Norway and Sweden and new tunnels in Stockholm and Gothenburg. In the rail sector, the railway “Botnia link” in northern Sweden and the bridge in central Stockholm are currently under construction,.

Switzerland

(1) Trans-Alpine railway freight transport was expected to increase by about 10 %, while in road transport a simultaneous decline in a number of vehicles and increase in tonnes transported was expected during 2004. Such a trend was mainly due to improved productivity of road freight vehicles because of the introduction of the Performance Based Heavy Vehicle Fee. The number of passengers on the Swiss Federal Railways network grew by 2 % (0.5 % in pass./km). A similar trend could be observed on networks of other rail transport enterprises. (2) Positive impact of the introduction of the Performance Based Heavy Vehicle Fee simultaneously with the increase of the maximum authorized weight continues to be observed. (3) Further coordination of measures of the transport policy in Switzerland with the EU policies continued. The Memoranda of Understanding between Switzerland and the Netherlands aimed at improving the rail transport on the north-south axis between the North Sea and Mediterranean started to give results in the area of simplified customs procedures and more efficient utilization of infrastructure. Overall spending on transport increased by 0.3 % compared to 2003 and represented 14.5 % of the spending of the Federal Government and 1.7 % of the GDP. Public transport received 0.7 % less and road the transport same amount as in 2003.

United States

1) Traffic volumes in the United States grew by 5-6 % in 2004. Passenger traffic was growing faster than freight traffic, mostly led by growth in air traffic. Other transport modes also grew, except that rail passenger volumes fell. Freight traffic also grew, except for gas pipeline and inland navigation which fell. International freight transport showed strong growth of 12 %.

2) The quality and quantity of motorways is seen as one of obstacles to future transport developments. Although the quality was moderately improved since 1997, the road network infrastructure has not expanded to match growing demand and congestion on motorways has grown with both number of hours of delay and the total costs of delays to the economy rising. Although the fuel economy of the vehicle fleet has been improved by the Corporate Average Fuel Economy programme, the results of a recent study suggest that certain elements of the programme should be altered in order to obtain further positive results. 3) The number of persons killed and injured continues to fall, and in 2003 it reached the lowest level since record-keeping began. Safety improvements, although achieved in all transport modes, have been dominated by improvements in road safety, which occurred primarily because of federal regulations requiring improvements in vehicle safety, educational campaigns and statutory changes encouraging safety belt use. A wide range of Intelligent Transport Systems have been developed in order to maximize the efficient use of the existing infrastructure, including metering vehicle access at motorway entrance ramps, optimizing the timing of traffic signals, etc. The Clean Air Act and Federal transportation programme legislation requires coordination of air quality planning and transportation planning so that the transport system as a whole in a given area helps to meet air quality standards. The Congestion Mitigation and Air Quality Improvement Programme provides funding for transport projects that help areas meet or maintain air quality standards. Since its creation in 1991, more than US\$ 15 billion has been used in the programme. Federal funds were used for a number of projects in all transport modes and for a variety of programmes aimed at reducing negative impacts of transport and improving the overall quality of the environment.
