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INLAND TRANSPORT COMMITTEE

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**IMPLEMENTATION OF THE PRIORITIES OF THE UNECE REFORM
FOR STRENGTHENING SOME ACTIVITIES OF THE COMMITTEE**

Border crossing and trade facilitation activities

Restrictions Imposed on the Quota of Road Transport Permits

Submitted by the Government of Turkey

1. The insufficiency of quotas imposed on the number of road transport permits are an impediment of free trade and transit transport in the UNECE territory.
2. It is clearly stated in the UNECE Consolidated Resolution on the Facilitation of International Road Transport (R.E.4):

“1.2.1.11 ... freedom of transit should be granted on major international traffic routes (E-roads in Europe, similar roads on other continents). Traffic should not be banned or subjected to such measures as transit duties, taxes (other than user charges and tolls for the use of transport infrastructures) or quotas.”
3. Moreover, Article V of the GATT Agreement also sets out clearly the freedom of transit by stating in Article V “Freedom of Transit”, paragraph 2:

“2. There shall be freedom of transit through the territory of each contracting party, via the routes most convenient for international transit, for traffic in transit to or from the territory of other contracting parties. No distinction shall be made which is based on the flag of vessels, the place of origin, departure, entry, exit or

destination, or on any circumstances relating to the ownership of goods, of vessels or of other means of transport.”

4. Unfortunately, these clear requirements are often not implemented in practice for the time being, especially between non-EU countries and EU Member States.

5. Quantitative restrictions practiced by some countries have a significant negative impact on the transport costs constituting an important element of the cost of trade (import or export of products). The end result is:

- (a) Significant rises in cost of trade and consequently in product market prices,
- (b) Loss of competitiveness of economies not being part of the EU,
- (c) Loss of wealth for the consumers,
- (d) Unnecessary delays in deliveries and the resulting decline in the consumer satisfaction.

6. These arbitrary transit restrictions, which act as barriers to trade, violate GATT Article V and limit the benefits of trade liberalization achieved by the WTO system.

7. There are two possible solutions to this problem: the elimination of transit quotas in road transport and that of other barriers in transit such as unnecessary delays at borders and the imposition of unreasonable fees and charges. This should be the main focus of transport and trade facilitation today.

8. In addition, the current bilateral agreements on road transport are often non-transparent, discriminatory and determined by economic power politics. A multilateral solution, which provides standardized, transparent and predictable applications in the transit regime according to standards determined by the WTO and other international documents, including the elimination of all quantitative restrictions and other barriers that violate the provisions of GATT Article V, should be promoted and adopted by the UNECE.

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