ECMT Activities and Guidelines on Future Actions

For the Development of Combined Transport in CEECs

by

Martine-Sophie Fouvez
Principal Administrator

EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT

Conference on the Development of Combined Transport

in the T.E.R. Member Countries

Ljubljana (Slovenia)

12 May 2000

The views expressed in this paper are those of the author and do not represent the views of ECMT or those of its Member countries.
The European Conference of Ministers of Transport has been working for many years on joint European policies to improve the global economic conditions for combined transport. The ECMT Committee of Deputies has established a Combined Transport Group that works on specific programmes in this field.

The Group includes the following main issues in its programme of work:

1. Equal conditions of competition between the various modes of transport (true costs): the Working Group on Combined Transport co-operates with the Task Force on Internalisation of Social Costs and will also present its own findings concerning road and combined transport prices on specific links.
2. Situation regarding border controls, especially at the external borders of the European Union. A report was presented to Ministers last year in Warsaw. It included a survey on road, rail and combined transport border crossing facilities.
3. Interpenetrability - achievements and bottlenecks.
4. Report and Conclusions on the development of Short Sea Shipping, to be presented to the Ministers later this month.
5. Overview of existing studies and - possibly - comparison of the most important results.
The European Conference of Ministers of Transport promotes the development of combined transport for the political reasons that are given in the DECLARATION ON COMBINED TRANSPORT decided on at the Council of Ministers session in Budapest on 29 and 30 May 1996:

“Combined transport is an example for a rational network which combines the benefits of the various transport techniques and can be understood as a candidate for all evaluations or adaptations which help to improve the transport chain. Since combined transport is a means of shifting traffic off the road, it also helps to achieve the aim of sustainable mobility, as already pointed out in the White Paper on Transport issued by the European Union.”

The Council of Ministers sees combined transport as an integrated element of transport policy, which in turn plays an active and important role in the development of Europe.

In 1994, the Council of Ministers has adopted the Annecy Resolution. This Resolution contains general recommendations such as the action to establish true costs in transport. In addition to these recommendations, the Resolution made the following points:

- liberalisation of access to initial and terminal road hauls in combined transport,
- the introduction of higher weight limits for road vehicles operating in such terminal hauls,
- the exemption of combined transport from road infrastructure taxes,
- tax incentives for combined transport,
- investment grants for combined transport.

The adoption of this Resolution means that there was a political consensus on such measures. However, one must recognise that, although this political will has been expressed already in 1994 and at the highest level possible, there is still a lot to do to consider these recommendations as fully implemented.

As international trade in Europe grows, transport volume increases as well, and some high volume corridors and trade routes develop. While most large international trade flows tend to concentrate on corridors and gateways, this does not necessarily refer to all trade routes. Some countries exchange their goods with the neighbour country through very many dispersed routes, all of them carrying a small amount of total trade. But in most cases, one can see more concentrated flows.

This concentration of traffic on certain corridors assists combined transport in its special economy. Combined transport creates an additional efficiency by concentrating smaller loads such as truckloads to
larger units such as block trains or inland waterway barges. Moving these larger units saves infrastructure use, operating costs, energy consumption and environmental pollution compared to the move of multiple single units. The savings by concentration of loads must at least compensate for the costs of transfer in the terminals to make combined transport cost effective and competitive.

In addition, most European international transport flows cover a greater distance than national ones. This is again advantageous for combined transport. Normally, a transport distance of 300 - 500 km is assumed to be the minimum for combined transport competitiveness. Some European countries have only few - if any - national high volume corridors that cover such distances. So, again international European transport gives the main advantage for combined transport, in this case the increased distance. However international transport also incurs some flows that are considerable short and do not qualify for a combined transport operation.

The main corridors from West Europe to Eastern Europe that carry today high (or rapidly increasing) volumes of combined transport are the following:

- **Central Europe to East Europe**: Berlin - Warsaw - Moscow. This trade route developed quickly after the new orientation of East European countries to market economy. The trade has been totally dominated by road transport. First combined transport offers have been established recently and are developing rapidly.

- **Central Europe to Southeast Europe**: from West and North Central Europe via Czech Republic, from South Central Europe via Austria and Hungary to Romania, Bulgaria, Turkey, and Greece. This corridor had been until 1990 mainly used Yugoslavia as transit country. When the political unrest started in this area, the traffic flows have been diverted to transit through Hungary and Romania.

A corridor analysis shows that high volumes and market shares of combined transport need three main characteristics:

- **Distance** more than 400/500 km,
- **Large transport volumes** rather concentrated on this corridor,
- **Considerable barriers to road transport**.
These barriers to road transport could be
Geographical barriers: surface characteristics not favourable for road transport and not surpassed by civil engineering in road building.
Border regimes: considerable border delays for commercial road vehicles,
High road usage fees and taxes
Legislation regime not favourable for road transport as excessive limitations of commercial road vehicle operation, excessive limits of road vehicle size and/or weight.

The corridor that connects Greece and Turkey with Central Europe is, on the one hand, a high traffic volume corridor, and, on the other hand, it includes a set of national transit problems that show the possibilities and conditions of successful combined transport in a nutshell because of the transit problems occurring with the political development in Yugoslavia.

The East West European corridor is today not very much developed. But all countries concerned have given great hope to combined transport for the solution of some serious traffic problems that today restrict the transport quality on this corridor seriously. Especially very long border control delay and heavy congestion on transit roads that have been designed and built in an area when such development could not be foreseen create problems in this corridor.

Combined transport has to offer similar quality patterns as road transport to be able to meet the competition of door to door transport by road. This regards such factors as flexibility, speed and reliability.

When the East European and the East Central European countries decided to organise their economies under the principles of market economy, the transport markets changed very rapidly. Rail lost considerable in market share, and road transport boomed. This has led to economic and political frictions that are under review today. The roads that serve the increased traffic are highly congested. Road border crossings are used beyond their capacity, and long waiting time is often occurring. On the other hand, rail offers much additional free capacity. Insofar, most of these countries are seriously considering to strengthen the role of combined transport road/rail and to transfer some of the international traffic flows to combined transport.

This is not at all easy and quick to accomplish. Combined transport needs a good and experienced organisation and a high quality, very reliable rail operation. Furthermore, unaccompanied combined

S. Fouvez: "The Development of Combined Transport in CEECs"
Ljubljana, 12 May 2000
transport, the more efficient way to organise this traffic, needs investments in specialised rolling stock, swap bodies and terminals. All this cannot be created over night.

Otherwise, rolling-motorway combined transport is rather easy to organise, needs no high investment in terminals, and practically no investment in adaptation of the rolling stock. Naturally, this type of combined transport has been the forerunner of combined transport in most countries on this axis.

But rolling motorway is a considerable costly way to organise combined transport. Subsidies or road usage fees have either met the difference and tolls must be increased to a level that the additional costs are compensated. This means a rather high level of toll or road usage fees.

**ECMT Future Work and Priorities**

- From the suggestions for future work by the various Member countries in the frame of our future triennial program of work, it emerges clearly that the Consolidated Resolution adopted in Annecy in 1994 remains highly relevant especially in regard to the implementation of these recommendations. A regular inventory of national measures to promote Combined Transport is therefore a necessary support to follow the implementation of the Annecy and Vienna resolutions. In particular, the ongoing reform of railways in Europe induces changes of a different nature, which even if causing some problems, give also opportunities for a faster development of combined transport. These effects should therefore be studied in the frame of the conclusions to be presented in Prague in May 2000 with a view to overcome the identified obstacles.

- Along the same lines, an inventory of present weaknesses and identified bottlenecks in the combined transport system in Europe would be a valuable aid to identifying priorities for action. This work should be undertaken in co-operation with all ECMT Member countries and other relevant international Bodies (EU, UN/ECE, and OECD).

- The competitive situation of combined transport is important. On the basis of an analysis of costs and prices on specific routes, recommendations could be drawn up on how combined transport can reduce its costs compared to other modes. The work to be undertaken by OECD and also by ECE/UN in this field should address this question in priority. To increase the awareness amongst shippers of the
advantages of combined transport, these recommendations should consequently be made available to them.

- Given the present and forecasted traffic increases between Eastern and Western Europe, the Group on Combined Transport could consider to what extent and under what conditions Combined Transport could play a significant role in dealing with these additional traffic flows.

There, to react on what Mr. Gruenfeld said, there are still a lot of elements to analyze: political unrest in the region and the process of integration to the EU for some countries are of primary concern to us, since our main role, within ECMT, is to provide your Ministers with background elements for discussion, give them an opportunity to discuss on an equal basis, on their difficulties and their expectations with a view to achieve a coherent and efficient European transport system.