



The first ASEM Transport Ministers' Meeting

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Contribution by
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Ministers, Ambassadors, Ladies and Gentlemen,

Thank you for the opportunity to make a contribution to this first ASEM meeting.

It is a pleasure to be back in Lithuania. The last time I was here was four years ago to prepare a review we were carrying out on Road Safety in Lithuania. I am very pleased to note that, since then, Lithuania has managed to reduce deaths on its roads by around 50%, one of the best records in the world. This shows that when political determination nationally is combined with good practice and ideas from outside, a great deal can be achieved.

It is a positive development that the initiative for this meeting has originated from Ministers of Foreign Affairs in ASEM. It represents an understanding among this community that transport issues and problems are of major importance to societies and economies and that they cannot be solved by Transport authorities alone. Support for the actions to improve transport needs to be built across Ministries. The International Transport Forum has been created to contribute to exactly this goal and that is why this initiative should be welcomed.

On the other hand, trade and transport between Europe and Asia has been the subject of many meetings in different fora in recent years, including in UNECE and UNESCAP, Black Sea Cooperation, World Bank, TRACECA and regional and national initiatives, and our own work. It will therefore be very important that this initiative builds on this work and does not try to re-invent the wheel. It is also important to understand that there is not one Europe-Asia link but many, involving different Countries and groups of Countries as well as combinations of modes.

While the global recovery is still very fragile, there are signs that the worst of the recession is over at least in some Countries and regions. The continuing rapid growth in China is an enormous support to economic recovery. The consequences of the crisis on transport have been severe as the falls in volume were far greater than the declines in trade or GDP. For the moment, we still do not know whether there will be some structural changes or rebalancing of global trade patterns and in supply chains.

What we do know, however, is that the crisis has left our public finances in a parlous state. This means that, for transport, there will undoubtedly be problems in many Countries to obtain finance, from either public or private sectors, for investment. One consequence of this is that we will have to be much more attentive to value for money and will have to prioritise investments much more carefully in future.

Most of the trade, well over 90%, between Europe and Asia is transported by sea. And this will continue. And here, there are many improvements to make in port services and onward land-based services and also to reduce piracy risks that have been mentioned by other speakers. One example is the overdependence of this trade on Northern European ports. It is ironic that so much of Italian trade passes through Rotterdam. There are surely opportunities and economic and environmental benefits to improving services through Italian and Adriatic ports.

But there are good reasons to try and develop alternatives to maritime transport. These include the general need for diversity in services, the benefits to regional economies and the problems of congestion in ports and the limited internal connections from some ports. Trials have shown that the railway can deliver in less than half the time a sea journey takes. But many obstacles have to be overcome so that the railway could take even a few percent of the traffic. But this should be done.

The Draft Declaration envisages an Action plan being prepared over the next two years. This is of course welcome, but there are actions that do not need to wait for two years and that need to be taken now. These include the urgent need to improve border crossings, particularly with Russia. Border crossing times exceed all the recommendations made by international bodies and require urgent and intensive diplomatic efforts. Our work on border crossings underlines the need for a new philosophy, a new vision, based on cooperation and shared objectives and not one based on institutional division and conflict.

(see in this respect the conclusions of the joint work with UNECE and the World Bank <http://www.internationaltransportforum.org/Proceedings/Border2009/BorderConclusions.pdf>).

The Draft Declaration mentions opening markets but in a low key way. Here there are great benefits for economies and consumers still to be had. Markets can be more open for transport services and quality can be raised at the same time. The worry at the present time is that protectionist measures are increasing. These will not benefit economies or societies in the medium term. There has always been something of a contradiction between the statements that Countries make about how important transport is for their economies and their actions to protect their national operators from the competition that can bring economic benefits.

In conclusion, speeches from Ministers have shown how transport in the past has been a key innovator in opening markets, in developing trade and contacts and fastening links between the two continents. Now this innovative spirit is really needed as the sector faces its greatest ever challenge, that is, to move to a low carbon system. But we also have to maintain and increase the benefits that trade and transport brings. We need to speed up crossing borders, reduce dramatically the paperwork and bureaucracy in our system, develop real intermodal cooperation and coordination and increase efficiency through competition. In all these areas, we need innovations in policy, in organisation and technology.

This theme of innovation is the International Transport Forum's theme for 2010 and provides an important opportunity to really unlock the potential that is there so that transport can play its role fully as a facilitator of international cooperation and economic growth.