How is European transport policy adapting to an increasingly globalised context?

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Secretary General

ACEA Annual Meeting
Moving with the times: How can policy reflect changing transport demands?
Brussels, 6 December 2012
International Transport Forum at the OECD

► An inter-governmental organisation with 54 member countries, focusing on transport policy

► A **think tank** for global transport policy issues

► An **annual summit** of Ministers
The development of trade – the big picture

- **2000 – 2010**: slower growth of trade volumes in Europe compared to global average, reflecting increasing weight of emerging economies in the world economy

- **2007**: financial crisis turned into a trade crisis (drop in trade larger than drop in GDP; drop in transport even larger as demand for traded goods fell sharply)

- **after 2007**: Euro area performance remains weak, below pre-crisis peak; import demand in particular is not reconnecting with earlier growth rates (Euro area crisis)

External trade by mode, EU 27, 2010

<table>
<thead>
<tr>
<th>Mode</th>
<th>Export</th>
<th>Import</th>
<th>Export + Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sea</td>
<td>640.0</td>
<td>812.3</td>
<td>1452.3</td>
</tr>
<tr>
<td>Road</td>
<td>277.6</td>
<td>209.2</td>
<td>486.8</td>
</tr>
<tr>
<td>Rail</td>
<td>20.3</td>
<td>16.4</td>
<td>36.8</td>
</tr>
<tr>
<td>Inland waterway</td>
<td>4.3</td>
<td>3.1</td>
<td>7.4</td>
</tr>
<tr>
<td>Pipeline</td>
<td>3.6</td>
<td>88.0</td>
<td>91.6</td>
</tr>
<tr>
<td>Air</td>
<td>362.0</td>
<td>292.1</td>
<td>654.1</td>
</tr>
<tr>
<td>Self propulsion</td>
<td>37.3</td>
<td>26.5</td>
<td>63.8</td>
</tr>
<tr>
<td>Post</td>
<td>0.8</td>
<td>2.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Unknown</td>
<td>3.7</td>
<td>59.2</td>
<td>62.9</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1349.6</strong></td>
<td><strong>1509.1</strong></td>
<td><strong>2858.7</strong></td>
</tr>
</tbody>
</table>

Source: EU transport in Figures, 2012.
Modal split EU Freight Transport, % of tkm

Air and sea: only domestic and intra-EU 27
Source: EU transport in Figures, 2012, p. 36.
European Transport Policy – 2011 White Paper –
Targets for modal shift, technological change and safety

• Intercity travel: 50% of all medium-distance passenger and freight transport should **shift off the roads** and onto rail and waterborne transport.

• By 2030, 30% of road freight over 300 km should shift to other modes such as rail or waterborne transport, and more than 50% by 2050.

• Halve the use of ‘conventionally fuelled’ cars in urban transport by 2030; phase them out in cities by 2050; achieve essentially CO2-free movement of goods in major urban centres by 2030.

• By 2050, move close to zero fatalities in road transport. In line with this goal, the EU aims at halving road casualties by 2020.
European Transport Policy – 2011 White Paper – Principles and Network Development

• By 2020, establish the framework for a European multimodal transport information, management and payment system, both for passengers and freight.

• Move towards full application of “user pays” and “polluter pays” principles and private sector engagement to eliminate distortions, generate revenues and ensure financing for future transport investments.

• Deliver a fully functional and EU-wide core network of transport corridors, ensuring facilities for efficient transfer between transport modes (TEN-T core network) by 2030, with a high-quality high-capacity network by 2050 and a corresponding set of information services.

• By 2050, connect all core network airports to the rail network, preferably high-speed; ensure that all core seaports are sufficiently connected to the rail freight and, where possible, inland waterway system.
European Transport Policy – 2011 White Paper

General perspective on these points

• A combination of modal shift and technology change to address congestion, environmental and climate impacts, and oil dependency,
  ▪ without reducing ‘mobility’,
  ▪ With marginal cost pricing and network integration as main policy orientations.

• The targets are very ambitious, largest changes to come post-2030, feasibility and cost remain unclear, near-term impacts limited overall.

• A preference for a shift to rail remains clear and at the core of the strategy.
In the meantime... (1)

• Wider adoption of **road charging for trucks** based on distance seems to be a strong trend across the EU, perhaps driven more by revenue needs than by strategic goals of competitiveness and sustainability

• Gradually, **“Modular System” trucks** (Megatrucks, gigaliners) seem to be gaining acceptance in more countries
  - This is fought by groups arguing that cost reductions in road freight transport run counter to the shift-to-rail objective.
  - But this is nonsensical: External costs of these trucks must be assessed and charged (or mitigated) but blocking productivity improvements is not an option
In the meantime... (2)

• *Infrastructure funding* (Connecting Europe Facility) *under pressure* in current budget negotiations (sacrifice long-run payoffs to get out of short term gridlock).

• The High Level Group on the Development of a *Single European Transport Area* identified and researched *four key obstacles*:
  - Driver Shortage (ageing, declining appeal, high entry costs)
  - Enforcement Practices (EU principles, heterogeneous practice in Member States)
  - Cabotage Practices (current principle too closely tied to international freight trips for it to have strong effects on empty runs)
  - Lack of Innovations and Applications of Good Practice (low margins, low awareness)
In the meantime... (3)

- **Railway productivity and reliability do not show visible improvements**, market shares generally declining with exception of a few segments / regions
- Very little progress is visible on removal (or at least deep mitigation) of the *major road bottlenecks*, and specifically on those damaging trade.
- Pricing instrument to fight urban congestion by private cars almost without any advance since Stockholm, 2006.

- **Consumption and emissions of road vehicles with sustained reductions** along expected paths.
- **Total car traffic volumes seem to have peaked** in richer EU countries (not a pure crisis effect, but not clear if permanent or transitory).
- In general **road safety continues to show regular improvement** across the EU.
Source: EU transport in Figures, 2012.

Source: ITF Statistics
There seems to be a disconnect between

- main lines of the White Paper ⇔ what is happening on the field

The long run commitments that are needed to make attainment of White Paper objectives at all feasible seem to be lacking

- instead piecemeal reform and progress subject to short-termism without a clear sense of strategic purpose
Thank you

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