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

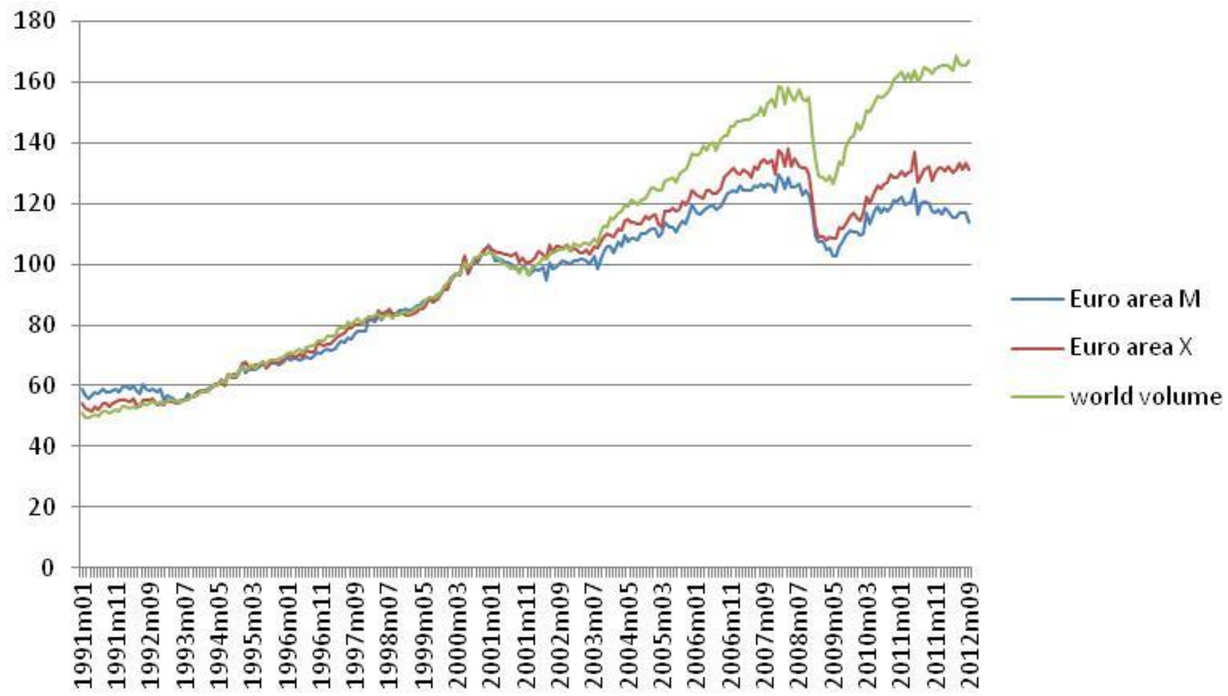
- An **annual summit** of Ministers

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)



Index of world trade, Euro X, Euro M volumes, 1991 - 09/2012 (CPB World Trade Monitor, 23/11/2012)

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External trade by mode, EU 27, 2010

VALUE (billion €)

PARTNER: EXTRA EU-27						
	EXPORT		IMPORT		EXPORT + IMPORT	
Sea	640.0	47.4 %	812.3	53.8 %	1 452.3	50.8 %
Road	277.6	20.6 %	209.2	13.9 %	486.8	17.0 %
Rail	20.3	1.5 %	16.4	1.1 %	36.8	1.3 %
Inland waterway	4.3	0.3 %	3.1	0.2 %	7.4	0.3 %
Pipeline	3.6	0.3 %	88.0	5.8 %	91.6	3.2 %
Air	362.0	26.8 %	292.1	19.4 %	654.1	22.9 %
Self propulsion	37.3	2.8 %	26.5	1.8 %	63.8	2.2 %
Post	0.8	0.1 %	2.2	0.1 %	3.0	0.1 %
Unknown	3.7	0.3 %	59.2	3.9 %	62.9	2.2 %
TOTAL	1 349.6	100.0 %	1 509.1	100.0 %	2 858.7	100.0 %

Source: EU transport in Figures, 2012.

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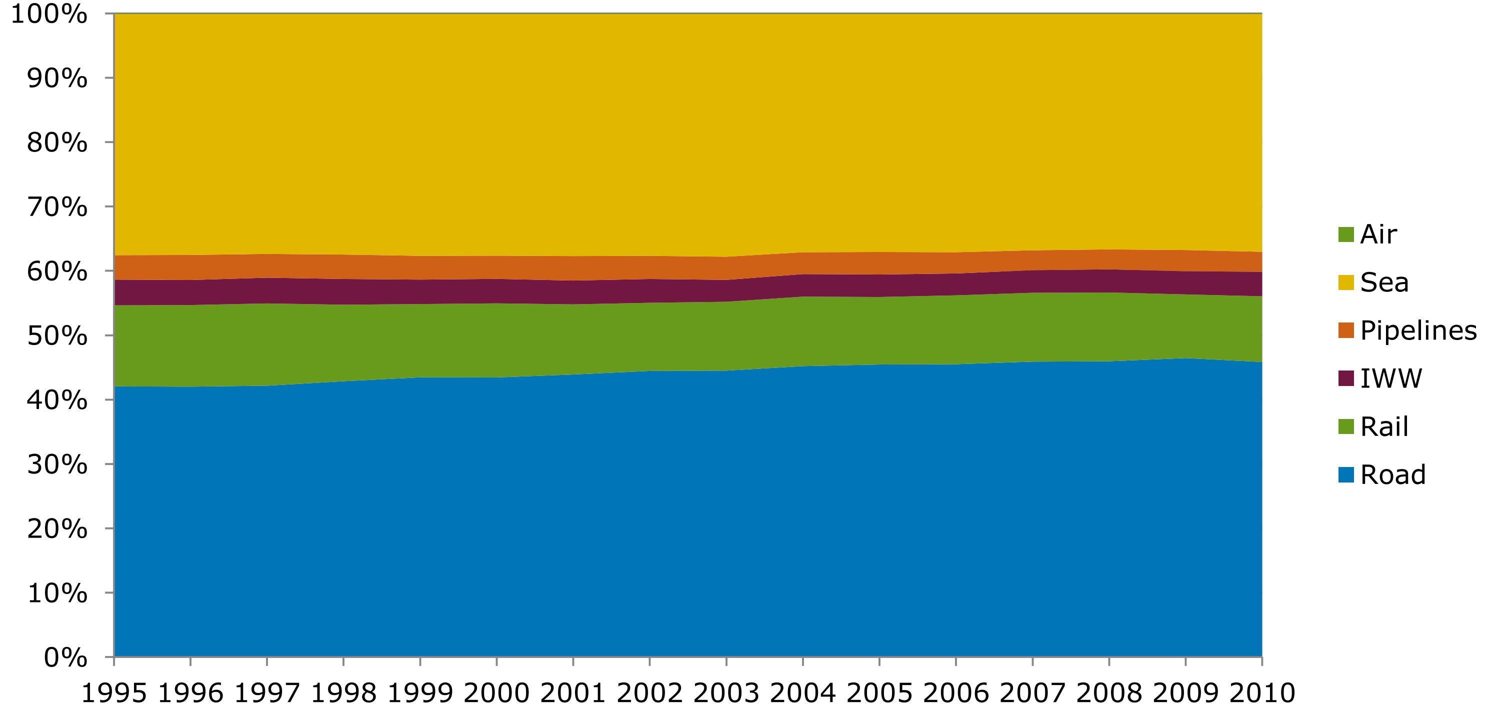
Modal split EU Freight Transport, % of tkm



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.

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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)

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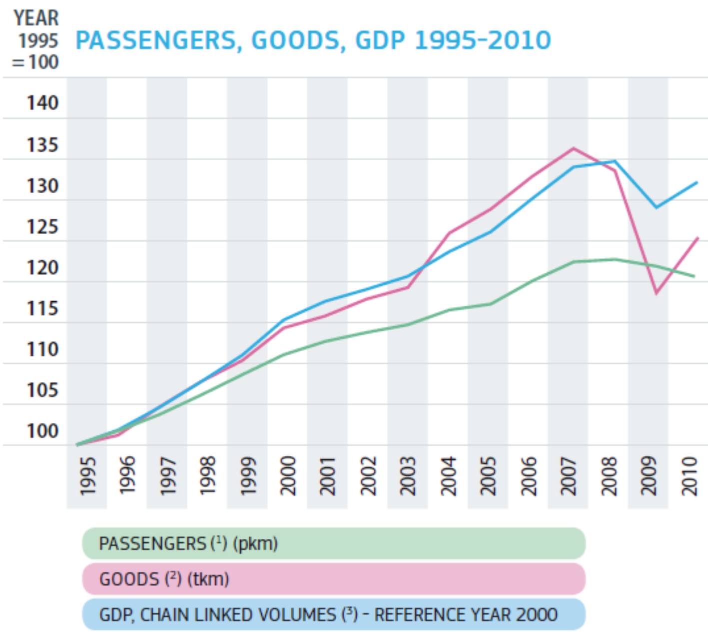
In the meantime... (3)

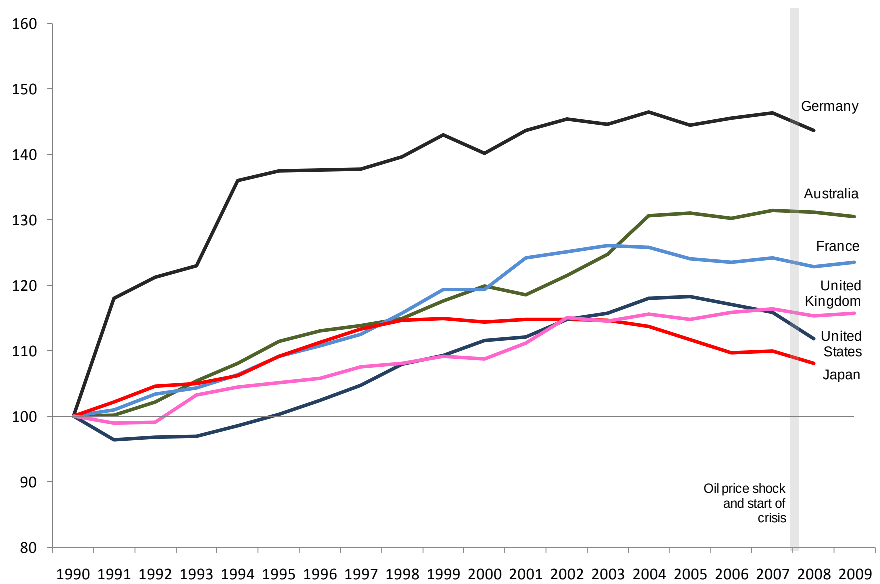
- ***Railway productivity and reliability do not show visible improvements***, market shares generally declining with exception of a few segments / regions
- Very little progress is visible on removal (or at least deep mitigation) of the ***major road bottlenecks***, and specifically on those damaging 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.

Passenger-kilometres by private car and light trucks, 1970 – 2009, index (1990 = 100)



Source: ITF Statistics

Synthesis

- 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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