

## *International Road Transport Union (IRU)*

### *Policy Measures to Fight the Economic Downturn in the Domain of the Road*

*By Martin Marmy*

The International Road Transport Union (IRU), representing truck, bus, coach and taxi operators through its 180 members in 74 countries on the 5 continents, considers that in today's globalised economy, professional road transport is no longer merely a mode of transport but a vital production tool, interconnecting every business to all world markets and providing safe, environmentally-friendly and affordable mobility for all.

Due to the financial crisis which has turned into an economic crisis, the demand for vital road freight transport services has slowed down dramatically, up to (-)50%. Coach tourism is also expected to suffer a decline. The forecasts for 2009 are equally pessimistic.

At the same time, costs for the road freight transport sector are expected to rise by at least 3-4% in comparison with 2008. Higher user charges in a number of countries are a key driving force for this rise. Unstable oil prices could exacerbate this situation. These increasing costs cannot always be entirely and immediately passed on to clients.

Road transport existed to serve the economy long before banks. Yet most governments are bailing out banks, arguing that they are vital for the economy. If banks cease to exist, trade will continue, as it did before their existence. If road transport were to cease to exist, trade would come to a grinding halt. So governments are also urged today to further facilitate road transport, to ensure that it can continue to drive progress and prosperity around the globe.

How should Governments ease the situation for this industry?

They should intensify efforts to eliminate neo-protectionist barriers to international road transport; reassess and reduce current taxes; stop creating new taxes and charges and prevent any discriminatory road user charges anywhere; induce financial institutions to provide adequate credit lines and to implement moratoriums on the interest to be paid, so that transport operators can continue to finance their investments and operations, including innovative and clean vehicles, through appropriate incentive measures, use economic stimulus packages to invest in road infrastructure, including in the removal of bottlenecks, by implementing, according to Annex 8 of the UN Border Control Harmonisation Convention (1982), the IRU TIR Electronic Pre-Declaration (EPD) and the IRU Border Waiting Times Observatory to prevent border waiting times; adopt a business-friendly 12-day driving derogation for international coach tourism both in the EU driving and rest time rules and in the UNECE AETR Agreement; create a legal and administrative framework which would allow the road transport industry to place skilled personnel temporarily on inactive status, without having to lay them off, in order to maintain skilled professionals in the sector.



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The IRU urges also road transport operators to transport only if a profit can be made, if additional costs are absorbed by customers and empty trips can be avoided; to stabilise market prices by reducing transport capacities and to place skilled personnel temporarily on inactive status without losing them, as they will be needed when the crisis is over.

All players should work together to contribute to economic recovery!