

## **Press Release**

Paris, Leipzig, 29 May 2009

# **International Transport Sector Confident to Provide Transport's Central Role in Stimulating Economies Around the World.**

**800 delegates from around the world, including 52 Transport Ministers and industry leaders discussed the future of global transport at the 2009 International Transport Forum in Leipzig, Germany.**

In the face of the global economic downturn, transport will play a key role in supporting economic growth and in the creation of new confidence in the world's economic future, the delegates of the 2009 International Transport Forum (ITF) agreed. As almost all global threats have strong, central links and impacts, the transport sector will remain at the forefront of most global challenges, the Forum's Secretariat pointed out. "The Forum's lively and fruitful discussions have exceeded our expectations", the Forum's Secretary General **Jack Short** said in reviewing the event. "Despite the severe financial and economic crisis and the possibility that the impact of the downturn may not be transitory, the global transport community is confident that – based on consultation, cooperation and coordination – it will bring about change for the world's transport of tomorrow. I believe that the Forum 2009 laid some decisive groundwork in shaping the world's transport and its support in boosting the global economy for the years ahead."

Headlined "Transport for a Global Economy: Challenges & Opportunities in the Downturn", the world's leading platform for international transport came to a close today. The four-day ITF has hosted 52 Ministers and top business leaders from around the world in Leipzig, Germany, since Tuesday, May 26<sup>th</sup>. The discussions of the 2009 Forum focused on, among other subjects, the economic downturn and stimulus packages, the risks of protectionism and the challenges of sustainability as well as the financing of transport and the reliability and security of transport chains and the need for international cooperation.

Several Ministers, including the official ITF host 2009, Germany's Minister of Transport, Mr. **Wolfgang Tiefensee**, as well as Mr. **Binali Yıldırım**, the Turkish Minister of Transport, the Chair of the 2009 Forum, stressed the significance of technological solutions and close international cooperation as opposed to individual national strategies in order to help transport to boost the economic recovery process. The new U.S. Secretary of Transportation, **Ray LaHood**, who made his first official appearance in Europe at the Forum, underlined his country's commitment to being a partner in international transport and extending the US high speed rail system in the context of the nation's stimulus package.

While acknowledging that transport systems, in general, have never been as efficient, clean, safe and cheap as today, the ITF Secretariat stressed the fact that on all these fronts enormous challenges lie ahead, if the global transport is to meet the demands of the 21<sup>st</sup> century.

Analyzing the **economic downturn**, the Forum concluded that the impact of the severe downturn, which has led to dramatic volume reductions in transport markets of 20%, may not be over soon. Two reasons were identified for this assessment: First, the risk of policies leading to protectionism or excessive restrictions on financial intermediation may prevent pre-crisis economic interactions from returning, and, secondly, the crisis reflects and may correct global imbalances, most notably – but not exclusively – that between the US and China. In addition, restoring some balance may reduce trade-intensity of growth, which, in turn, will affect future transport volumes.

Looking at **stimulus packages** around the world, the ITF concluded that, while many of these have significant transport components, projects with short lead times, particularly suited to maintenance and upgrade work of infrastructure, are required in order to create jobs rapidly and to resolve chronic maintenance backlogs in many countries.

Discussing how **to keep markets open and to avoid protectionism**, the Forum observed that further deregulation would serve as a permanent stimulus to the economy. Therefore, transport markets need to be opened to international competition, with opportunities remaining in all modes and in most regions. Global competition and regulation issues, however, are not handled by a single institution, but by the individual Transport Ministries. Here, the ITF could play an important facilitation role.

Assessing **sustainability issues**, the Forum stressed the continuous challenges set forward by climate change. In this sense, sustainability in the transport sector does require improvement in economic efficiency, safety, social impacts and environmental protection. Incentives for technological advance and economic instruments for providing incentives for operators, industry and consumers to reduce emissions are central to this end.

The **financing of transport needs** continues to be challenged by a “funding gap” between the needs of the sector and available funds, the Forum observed. This gap will widen as public finances are stretched in the longer term.

Analyzing **supply chains**, the Forum observed that the future development of supply chains will depend on the price of energy and the price attached to external costs such as CO<sub>2</sub>, but increasingly on the capacity to provide reliable end-to-end services. It also stressed that border crossings remain a serious problem, causing both delays and increasing costs. Among many supply chain issues the Forum underlined that risk-based regulation should target resources to areas where they will bring about the most benefit, while, for example key challenges like container scanning, need to be addressed by multilateral, cost-effective approaches.

As a supra-national and inter-governmental event, the Forum provides a unique opportunity for strategic thinking on the essential role played by transport today and in the future. The ITF offers the opportunity for decision-makers of both the private sector and public bodies to devise strategies and actions on a national and international level. A highlight of the 2009 Forum was the accession to the Forum of India as a full member. In addition China was welcomed to the Forum this year as an observer.

The 2009 highlights included keynote speeches by renowned European economist and writer Jacques Attali, US Secretary of Transportation Ray LaHood, as well as Antonio Tajani, the Vice President of the European Commission. Amongst the business leaders who contributed to the panels and workshops were the CEOs Peter Bakker, TNT, Tim Clark, Emirates, Stélios Hagji-loannou, Easy Group, Joachim Hunold, Air Berlin, Leif Östling, Scania, Scott Price, DHL Europe Express, as well as Ron Widdows, Neptune Orient Lines, and the new CEO of Deutsche Bahn, Rüdiger Grube.

The International Transport Forum 2010 “Transport & Innovation” will be held from 25-28 May 2010 in Leipzig under the Presidency of Canada.

For further information, including webcasts, interviews, background papers, conclusions and pictures of the 2009 Forum, go to [www.internationaltransportforum.org](http://www.internationaltransportforum.org)

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