

## EDITORIAL

*We are preparing the 2009 Forum at a period of unprecedented turmoil on international financial markets and a dramatic yo-yoing of oil prices. This turmoil is now feeding into the real economy. In transport, even sectors like containers and air freight, which had witnessed dramatic growth in recent years, are now seeing downturns. Even more fundamentally, the existing models for economic integration and globalisation are being put into question.*

*The role of transport in facilitating the growth in trade and incomes that have taken place over the last decades should not be underestimated. Improving efficiency in transport and reducing costs are crucial to improving productivity. The transport agenda for a more efficient and cleaner system remains unchanged. Much still needs to be done to smooth international flows, cross borders efficiently, open markets and raise standards in the sector.*

*More efficient transport can be a significant boost to restoring economic growth and confidence in the world economy. The 2009 Forum in Leipzig is an opportunity to provide this boost.*

*Jack Short  
Secretary General*



## CAPTURING THE BENEFITS OF GLOBAL TRADE

### Forum 2009 to connect trade with transport

Recent decades have been characterized by unprecedented economic growth and a general reduction in barriers to international trade and investment. Transport has underpinned these macroeconomic trends: without an efficient international transport chain, it would be impossible for a company located in Spain to supply customers in Germany. So much so that the time and cost of transport operations can become an even greater barrier to trade than taxes or customs duties.

Yet globalisation could be a reversible process. Volatile energy prices are eroding the competitive advantage of many Asian economies and putting at risk a trade model built on low transport costs. At some point, it may be cheaper for large economies to source manufactured goods closer to their domestic markets. Even a temporary reduction in the price of the barrels of oil may prove insufficient to prevent a fundamental shift in the pattern of global trade towards regionalisation.

Combined with environmental constraints, the world will in all likelihood see a major reconfiguration of established logistics patterns over the coming years leading to new investment priorities and increased usage of reliable intermodal solutions.

◀ *Throughout the world, border crossings remain subjected to numerous regulatory procedures and regimes.*

### New challenges and opportunities

Taking stock of these megatrends, representatives of the Forum's 51 transport ministries have tasked the International Transport Forum with addressing some of the critical issues posed by globalisation and how in turn transport can respond to the needs for global economic and social development.

Some of the key questions to be debated include:

- Should there be further liberalisation in the transport sector in order to meet the needs of a globalised economy?
- How do we improve transport chains and the interfaces where modes meet?
- With public budgets under increasing pressure and a reduction in the availability of credit, how can funding and investment be secured?
- How can border-crossings be made easier?
- What are the environmental and social implications of globalised transport flows?

Structured along an interactive format that contributed to the success of the 2008 edition, the International Transport Forum 2009 will bring together political leaders with senior industry, research and civil society representatives. The event will take place in **Leipzig**, on **26-29 May 2009**.



FORUM 2009  
26-29 May • Leipzig



## MULTILATERAL QUOTA FOR SAFER AND CLEANER VEHICLES

Meeting on 17 and 18 September 2008 in Tallinn, Estonia the ITF Group on Road Transport endorsed the introduction of Euro V safe lorries into the ECMT Multilateral Quota system from 1 January 2009. Pursuing the stated environmental objectives and the aim to promote the highest quality road transport, the ECMT licences from the start of 2009 will be available only for the three highest categories of HGV: EURO III Safe, EURO IV Safe and EURO V Safe lorries.

To this effect, the Group updated the Guide for Government Officials and Carriers on the Use of the ECMT Multilateral Quota, which will enter into force on 1 January 2009 and will be available online. Updated Certificates, including a new model of a joint Certificate of Compliance for all three vehicle categories, are already available online.

The Group also began the work on the next restructuring of the Quota in line with the declared Ministerial objectives for the Quota development and to better reflect Member countries needs. For its next meeting in March 2009 the Group will update a survey of compliance of Member countries with the rules on admission to the occupation and market access to be applied for international freight transport by road (Consolidated Resolution No.2000/1).

In addition, the Group is expected to make a contribution to the 2009 International Transport Forum discussions on alleviation of border crossing obstacles.

For more information on the Multilateral Quota:

**[www.internationaltransportforum.org/europe/quota/quota.html](http://www.internationaltransportforum.org/europe/quota/quota.html)**

### Sydney to host a seminar on globalisation

An important milestone in the Forum 2009 preparations, the Bureau of Infrastructure, Transport and Regional Economics (Australia) will be hosting a working meeting on Transport and Globalisation on **27-28 January 2009**.

Invited participants will compare country and industry approaches and review the findings of key research reports dealing with complementary aspects of transport and globalisation:

- Freight transport costs in maritime shipping and aviation
- Impacts on inland and inter-modal transport
- Air transport regulatory liberalisation

The seminar will be followed the next day by a meeting of the Task Force 2009.

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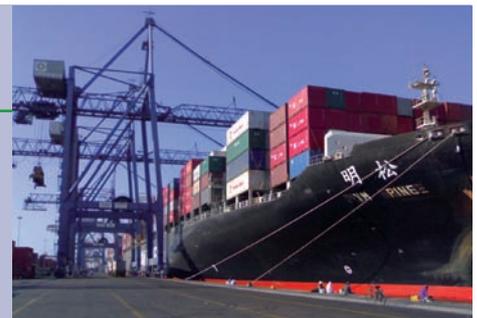
## Intermodal prospects in Turkey

On 14 October, Secretary General Jack Short presented the key findings of a two-year peer review devoted to the prospects of intermodal transport in Turkey to an audience of trade and logistics specialists gathered in the port city of Mersin, Turkey.

Mr. Short began his address by noting that, as a gateway between Europe, the Balkans, the Caucasus and the Middle East, Turkey had always displayed a natural proclivity to trade. Over the last seven years, institutional and structural reforms have led to almost 7% of annual economic growth and a marked increase in foreign capital inflow. As a result, Turkey has shifted its production patterns and exports from foodstuff and textile to sophisticated and high-technology products, creating the need for a higher quality transport and supply chain systems.

The peer review which will be available in January 2009 indicates areas where policy intervention is recommended, notably further investments to rehabilitate the country's seaports, the adoption of a comprehensive regulatory framework and the improvement of procedures at border crossings. "The concept of intermodality is at the heart of the modernisation of Turkey's transport system", Mr. Short concluded.

On 28 May 2008, **Turkey was elected to the rotating Presidency** of the International Transport Forum assisted by **Canada and Spain as Vice-Presidents**.





## Port Competition & Hinterland Connections

Maritime freight transport has experienced strong growth and profound change over recent decades. Freight volumes and container traffic in particular have grown with the intensification of global trade and the geographical dispersion of production. Moreover, the industrial organisation of the sector is evolving rapidly through increased vertical and horizontal integration.

Taking stock of these trends, the Joint Transport Research Centre held a Round Table on 10-11 April 2008 to assess the ports' new business environment and help guide regulatory intervention.

The Round Table found in particular that the asymmetries between the distribution of the costs and benefits of intensified trade argue for increased attention from national and federal authorities in addressing local transport issues. Whilst a large part of the benefits of globalised trade are spread nationally, the costs in terms of pollution and congestion are concentrated locally. National governments need to take a role in planning decisions and probably funding for environmental protection and congestion relief in and around ports if local and national interests are to be balanced. The extension of hinterland corridors across entire continents also argues for a coordinated approach to capacity planning at federal or international level.

The Round Table concluded with participants stressing the oversight role of competition authorities in a context where a concentration of shipping lines and terminal operators that are increasingly integrated with logistics businesses may lead to increased risks of abuse of market power. Paradoxically, whilst investments in hinterland transport corridors have been made to improve the competitiveness of individual ports, hinterlands have expanded and increasingly overlap as a result and inter-port competition has intensified, reducing the market power of ports *vis-à-vis* their clients.

## AIRPORT & AIRLINE COMPETITION

On 2-3 October 2008, the Joint Transport Research Centre held a Round Table on "Competitive interaction between airports, airlines and rail services". Discussions focused on three topics:

### **The competitive interaction among airports, relations between airports and airlines and the potential need for regulation**

Whether airports enjoy strong market power depends on the context. Where congestion is high and airports far apart, airports are in a strong position and regulation may be needed. In other cases, however, competition among airports is strong, in particular given the rising importance of low cost carriers with weak ties to a particular geographical market.



### **The impact of climate change regulation on competition in the airline industry**

Climate change policies, such as inclusion of aviation in permit trading schemes, will increase fares and hence reduce demand. However, the impacts are limited unless the price of carbon rises strongly. At moderate carbon prices, network structures and competitive conditions are unlikely to undergo major changes.



### **The social costs and benefits of providing high speed rail services**

In general, participants agreed that it is unlikely that isolated high speed rail projects generate social benefits that outweigh the costs. Two conditions make a socially beneficial project possible: very high density of demand, and the presence of network benefits.

## 2009 Symposium Preparations Kick Off

"The Future for Interurban Passenger Transport" has been selected as the umbrella theme of the 18th International Symposium on Transport Economics and Policy to be held in Madrid on **16-18 November 2009**.

The extension of high speed train networks, the development of low-cost airlines and the emergence of high-quality bus services all constitute powerful trends affecting the decision to use private cars over medium to long distances.

Bringing together representatives of governments, public administrations, universities, research institutes and private sector organisations, the Symposium will examine the trends in supply and demand of inter-urban passenger transport as well as emerging transport services before asking how planning, pricing and regulatory instruments can be used to promote integrated transport in interurban travel.



*"From our Inbox" is a selection of transport developments related to the annual Forum theme reported in the media. Although great care has been taken to ensure the integrity of the information presented, the International Transport Forum makes no claim as to its accuracy.*

## A new impulse for the TEN programme

A stakeholder information day held on 14-15 October 2008 has kicked off a formal European Commission review of the trans-European transport networks. The review process will address major challenges the European Union is facing in the coming decades, leading to a publication of a Green Paper early 2009 on the future of TEN-T policy. Options for its further development in the next 10 to 20 years are also expected to take account of new technologies, respond to forward-looking needs and make best possible use of transport infrastructure.

## Europeans unite on PPPs

The European Investment Bank (EIB) and the European Commission have launched the European PPP Expertise Centre (EPEC) to enable public authorities to become more effective participants in PPP transactions. EPEC's main task is to help the public sector overcome shortfalls in PPP expertise by sharing experience, pooling and synthesizing information from across the EU on requirements for effective transactions and skill-sets needed to handle these.

## WTO holds Public Forum

Held in the wake of a pause in the Doha round of negotiations, the WTO's annual Forum provided stakeholders of the multilateral trading system a framework within which to identify practical and effective ways forward for world trade governance and leadership. In his keynote address, Director-General Pascal Lamy commented that an important lesson of the Great Depression "is that protectionism and economic isolationism do not work".

## Shipping CEOs speak out

A consortium of 12 senior shipping professionals has written to European Transport Commissioner Antonio Tajani to present their views of current shipping challenges and recommendations for a long term European Maritime Transport Policy. Among others, the experts recommend that the Commission provide a secure and predictable investment climate, investigate competition distortion practices in neighbouring regions and prioritise port and hinterland infrastructure programmes.

## Transport Donors' meeting

The World Bank will organise a Transport Donors' meeting on 4-5 December with a view to mobilising the transport sector around development programmes targeting mainly road safety. Supporting effective transport infrastructure and services in developing and transition economies is a critical component of the Bank's transport business strategy to 2012.

## JUST OUT

Available from OECD Bookshop  
[www.oecd.org/bookshop](http://www.oecd.org/bookshop)  
[sales@oecd.org](mailto:sales@oecd.org)

- **Benefiting from Globalisation - 17th International Symposium on Transport Economics and Policy** (September 2008)



- **Towards Zero: Ambitious Road Safety Targets and the Safe System Approach** (October 2008)

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## FORTHCOMING ITF/JTRC EVENTS

- ▶ **11-12 December 2008, Paris**  
Round Table on Security, Risk Perception and Cost-Benefit Analysis
- ▶ **27-28 January 2009, Sydney**  
Seminar on Transport & Globalisation, Task Force 2009 meeting
- ▶ **5-6 February 2009, Paris**  
Round Table on Integration and Competition between Transport and Logistics Businesses
- ▶ **5-6 March 2009, Paris**  
Joint ITF/UNECE/WB Seminar on Border Crossing Obstacles
- ▶ **SAVE THE DATE - 26-29 May 2009, Leipzig**  
2<sup>nd</sup> International Transport Forum - Transport for a Global Economy