

TRAINING SEMINAR ON INTERNATIONAL ROAD HAULAGE IN THE EURO-MEDITERRANEAN REGION

**STAGE 1: FRAMEWORKS AND CHALLENGES FOR INTERNATIONAL ROAD FREIGHT
TRANSPORT**

**MAIN ISSUES AND CHALLENGES FOR ROAD FREIGHT TRANSPORT IN
MEDA COUNTRIES**

Presentation Summary

George Emmanoulopoulos – Core Expert on Road Transport
EuroMed Transport Project – Main Contract
Transportation Planner – Engineer M.S.c.

Istanbul

12-16/12/2005

MAIN ISSUES AND CHALLENGES FOR ROAD FREIGHT TRANSPORT IN MEDA COUNTRIES

The Importance of Road Freight Transport is underlined from the following points:

- International road transport offers unique advantages (door to door, flexibility, low cost), plays a major role and has an increasing share, provides direct access to every city, village or region, access to every production or consumption site, adaptable to change, is reliable despite barriers, can offer just in time services.
- International road transport is not only important in South - South transport, where due to closed borders, etc. it is not operating properly, but also in North - South transport, either through Ro-Ro in Maghreb (in future through tunnel too) or through Turkey to Mashrek.
- There is always a national road leg involved in every International road freight transport with other modes for delivery from the port (or the railway station, or the airport to the final destination). The efficiency of the road leg is very important for the overall transport chain.
- Port Hinterland connections in the MEDA countries are not of high level in most cases i.e. especially in Algeria and Egypt.

The Road Network Density in the MEDA region is low:

- The MEDA region: 147 km per 1,000 square km
- In the EU: 1,239 km per 1,000 square km.
- Desert areas partly explain the difference

Over 748 thousand kilometres of road across the MEDA region (year 2001). With about 429 thousand kilometres of roads, Turkey has 57% of the total. Algeria follows with 105 thousand kilometres, representing about 14%. MEDA region disposes of 4.1 million goods vehicles against the 23.7 million recorded in the EU.

The institutional issues of road freight transport in the MEDA region are the following:

- ➔ The road transport system is a complex one comprising a multitude of actors and elements, thus there is a need for a complicated institutional framework
- ➔ Actors are private, public national, international.
- ➔ Elements refer to different types of vehicles, freight, transport and charging on the national and international level.

The Institutional framework in the MEDA Countries includes:

- Bilateral and multilateral Agreements

Current institutional framework variable and rather fragmented. Many bilateral road transport agreements, often leading to confusion and conflict.

Some multilateral initiatives, aiming at the regulation and harmonisation of road freight transport between countries e.g. the Arab Transit Agreement promoted by the Arab League, the United Nations ESCWA Agreement on the International Roads in the Arab Mashreq, the Agreement between Jordan, Syria and Lebanon on the Standard Vehicle Circulation Booklet, and the Road Transport Agreement of the Arab Maghreb Union (AMU).

A certain level of coordination therefore exists at a regional or sub-regional level, although most agreements do not cover all countries within a sub-region, hereby having their effectiveness limited (e.g. Egypt is not part of the agreements between Lebanon, Syria and Jordan). Furthermore, these agreements focus mainly on certain aspects of road transport (e.g. transit) and largely neglect other

fundamental aspects such as the standards relating to the training of drivers, vehicle conditions, social rules, etc.

➤ International Agreements

Concerning the international agreements for regulating international road transport (mainly the conventions of the United Nations Economic Commission for Europe – UNECE), most MEDA countries remain inactive with respect to ratifying these conventions. Specifically, Mashreq and Maghreb countries seem to have a low interest in these conventions due to the limited volume of road traffic exchanges with the EU (except for Morocco, which shows a higher degree of involvement in such conventions, due to the significant Ro-Ro traffic with the EU).

On the other hand, Cyprus, Malta and Turkey are somewhat more active in joining these conventions, although they have disregarded several conventions. This can be related to their adoption of the EU *acquis*, which acts as a substitute for such agreements in relation to road transport.

- IRU Membership: All MEDA countries are members of International Road Union (IRU) with the exception of Algeria, Egypt and the Palestinian Authority.
- Driver's VISA issue: In some cases it is difficult to obtain

In conclusion, the overall fragmentation and variability of the institutional framework in the region constitutes a difficulty that currently hampers the development and prospects of road freight transport in the MEDA countries.

The organisational issues in the MEDA region are:

➤ Mostly private companies

Access to the road freight transport industry has been greatly liberalised in all MEDA countries in recent years, with the private sector being highly involved in this business, for both the national and international goods traffic. In some countries the state still provides some freight transport services using its own truck fleets, such as in Egypt, Jordan and Morocco. This, however, is not generally a problem as long as governments ensure that no special advantages are given to the state-owned trucks and that fair competition is maintained between the state and the private sector.

➤ Licensing

- In all MEDA countries, private operators are granted operation rights through a license.
- With the exception of Cyprus, Malta and Turkey (which have adopted EU licensing regulations and procedures), the current licensing schemes do not sufficiently match international standards and pose a potential threat to transport efficiency and safety, not to mention possible damages to the environment.
- This is particularly the case in Mashreq countries where the issuing of licenses is based on minimal requirements focusing mainly on the availability of asset capital. For the Maghreb region, although licensing schemes are more advanced taking into account the financial, technical and professional qualifications of operators, they are still not entirely adapted to international best practices.
- The inadequacy of the licensing schemes has resulted in a highly fragmented road haulage industry in the region, characterised by the emergence of numerous owner-operators who cannot take advantage of economies of scale. This a major reason for the deterioration of the road haulage industry, as the high operation costs encountered by the individual operators directly lead to low quality of service (e.g. neglecting safety and environmental standards).
- Nevertheless, some countries have already started to make efforts towards the rectification of this situation. For example, Egypt has recently passed the Unified Transport Act, which aims, among

other objectives, at improving the licensing mechanisms and the consolidation of the road freight transport industry. Lebanon has launched some studies in this respect and is expected to incorporate the results of these studies into the transport legislation in the future.

The operational issues in MEDA region are:

- Road Safety
 - A specific issue, which has to be highlighted, is the road safety.
 - In 2000 ~ 27 000 lives were lost in road accidents in the MEDA region. Even if a decreasing trend can be noticed, since 1997, in the number of fatalities reported in Lebanon (with annual average rate of -4,1%), Cyprus (-3,7%), Turkey (-3,6%) and Malta (-2,8%), in the majority of the MEDA countries road safety remains a serious concern as the number of killed and injured has been increasing.
 - The EU average is 10,4 persons killed per 100 000 inhabitants and the MEDA average is 11,0. But, if the traffic density is considered (through the number of passenger cars), the EU average is 0,21 per 1000 passenger cars and the MEDA average is 1,71 (8 times over).
 - Moreover, it has to be noticed that regional differences exist from 4,1 killed per 100 000 inhabitants in Malta (2001) to 16,7 in Tunisia and 16,4 in Algeria.
 - The main factors behind the above figures in the MEDA region include: Road Authorities often lack specialised road safety departments; safety aspects are not well integrated in road design, construction, operation; inadequate regulatory framework for training/testing of drivers; inadequate regulatory framework for vehicle conditions; shortage of traffic control and guidance systems; shortage of road safety furniture; absence of advanced technologies (ITS, road safety management systems); inappropriate enforcement/control of driving regulations by traffic police; inappropriate inspection of vehicles; poor physical conditions of road networks.
 - In international transport, the above factors are compounded by the heterogeneity of road transport regulations across the MEDA countries and the EU.
- Infrastructure bottlenecks and border crossing barriers
 - Infrastructure Bottlenecks include:
 - √ Missing links (either roads / bridges or Ro-Ro)
 - √ Congested links (usually near or through cities and town-need for bypasses, seasonality)
 - √ Lack of proper border crossing infrastructure
 - Border Crossing Barriers (excluding infrastructure issues) are created due to organisational or institutional issues:
 - √ Closed borders between countries
 - √ VISA problems for drivers
 - √ Convoys
 - √ No TIR agreement
 - √ Long security checks
 - √ Working hours of border control authorities may differ

SUMMARY OF MAIN BARRIERS

The main barriers to road transport and trade growth can be physical, institutional and organisational and refer to many issues such as bottlenecks, missing links, paperwork barriers, interoperability barriers, custom procedures (especially border crossing procedures for trucks), working (driving) hours, disharmony in time windows and emissions, disharmony in loads per axle (maximum permissible weight disharmony), tachograph, market segmentation, language barriers, culture barriers, disharmony in supply and demand in road sector, competition to rail and combined transport, lack of one-stop shopping, lack of terminals, legislative disharmony. This is a non-exhaustive list of the main barriers pointed out by officials during the visits to the MEDA countries.