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INTERNATIONAL TRANSPORT FORUM
TRANSPORT MANAGEMENT BOARD

Group on Road Transport

DEVELOPMENT OF THE QUOTA

REPORT ON EUROPEAN ROAD FREIGHT TRANSPORT MARKETS AND ECMT MULTILATERAL QUOTA PERSPECTIVES

prepared by PROGTRANS AG

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REPORT ON EUROPEAN ROAD FREIGHT TRANSPORT MARKETS AND ECMT MULTILATERAL QUOTA PERSPECTIVES

For the International
Transport Forum (ITF)
Paris

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CIS	Community of Independent States
ECMT	European Conference of Ministers of Transport
EEC	European Economic Community
EU	European Union
EU15	“old” EU member states before enlargement of 2004
EU15+3	EU15+CH, LI, NO
EU26	EU member states without Cyprus
EU27	all present EU member states
HGV	heavy goods vehicle
ITF	International Transport Forum
km	kilometre
OD	Origin-Destination
SWOT	Strengths, Weaknesses, Opportunities, Threats
TEN-T	Trans-european transport network
tkm	tonne-kilometre
vkm	vehicle-kilometre

Country names abbreviated according to ISO

Executive Summary

This study, commissioned by the ITF secretariat, was carried out by ProgTrans between January and March 2009. The market analysis is based on most recent Eurostat and ITF statistics, the transport data base and market forecasts developed by ProgTrans and on ITF quota statistics and data from licence logbooks.

The **European road freight transport market has been growing strongly** over the past two decades and is expected to do so also in the future, after the present economic recession will have been overcome. An estimated **2,000 billion tonne-kilometres** are performed yearly on motorways and highways in the 43 ECMT countries of which **one third in international transport** between these countries.

The main findings with regard to the ECMT quota system are:

- The **allocation of the quota is unbalanced**: Less than 20% of licences allocated to EU15 countries are utilised while a majority of the other countries make maximum use while operating low-emission vehicles, with demand exceeding significantly the allocation.
- The **share of empty trips has been increasing** in recent years partly because of the introduction of the three-trip rule in early 2006. The objective of improving efficiency is thus in jeopardy.
- The actual use of ECMT permits can only be roughly estimated. **The total market share in international transport is in the order of 5%**. EU registered vehicles perform slightly less than 1% of the total transport performance in non-EU countries; inversely, the share of non-EU vehicles in the EU territory is only 0.33%. This suggests that there is **no risk of market distortion to be feared**.

A SWOT analysis based on interviews with stakeholders (hauliers, quota administrators, transport ministries) confirms that the ECMT multilateral quota can be used in a **more flexible** way compared to bilateral permits. It thus **facilitates transport and trade**. It is the only permit system **favouring the use of low-emission vehicles** under the condition that there is sufficient demand of licences.

The quota system is considered as a **nucleus of liberalised transport markets**. But diverging interests prevent the advantages of the system for the concerned hauliers to be optimised. The decision process is slow.

As regards the short-term future, a **redistribution of excess permits seems** the most reasonable way to get the quota system out of its present deadlock. In a longer perspective the following preliminary and indicative strategic considerations are suggested:

- The general **development principles defined by the Ministers remain valid**.
- There is a range of **alternative solutions** from a full liberalisation of international road haulage within Europe on the one side to a more effective management of the existing quota system on the other side.
- A fully liberalised system would probably not achieve the environmental objective as one can see from the present usage of licences. **The present system of basic quota with multipliers and bonuses is an effective means to improve the environmental efficiency of the haulage operations**.
- In our judgement, a **national quota system is obsolete since "real needs" cannot be established in the multinational environment**. A "global" quota system or separate quota for EU/EEA+CH countries and non-EU countries or in a cluster system similar to the one used for the analysis in this report would appear to be more objective driven. An association of the European Commission would be desirable.
- **Permits could be allocated in the most efficient way with a market system**, i.e. through auction or through some other market based distribution mechanism.
- An **efficient monitoring** of the use of the permits and of the relevant transport markets is necessary to steer the system smoothly.
- Restrictions of the kind of the three-trip rule are counterproductive with regard to the efficiency objective and should be avoided.

1 Introduction

The European Conference of Ministers of Transport (ECMT) has been operating for several decades (since 1974) a quota system of multilateral authorisations for the operation of heavy goods vehicles (HGV) between ECMT member countries. The quota is fixed every year by ECMT. The ECMT secretariat, now the International Transport Forum (ITF) secretariat monitors the functioning of the system which is managed by the ITF Group on Road Transport.

ECMT has now 43 members, 26 of which are member of the European Union[1]. The non-EU member countries include the West European countries Norway, Liechtenstein and Switzerland and the Balkan countries Albania, Bosnia-Herzegovina, Croatia, Montenegro, Macedonia and Serbia. Furthermore the ECMT area covers the countries Turkey, Armenia, Georgia and Azerbaijan to the Southeast as well as Moldova, Belarus, Ukraine and the Russian Federation to the East. With the restructuring of Central and Eastern Europe and the enlargement of the European Union (with its own internal multilateral authorisation system), international trade and consequently international road freight transport have intensified.

ECMT ministers have engaged in discussions on the adequacy of the existing quota system. At the Ministerial Council in Moscow in May 2005, Ministers defined four principles for the allocation of quota:

1. The quota should become a symbol of the highest quality in international road transport
2. The quota should continue to contribute to improving efficiency and opening markets
3. The quota should strengthen and harmonize control and sanctions
4. The quota of licences should be distributed on the basis of real needs and efficient use.

Subsequently, a three-year cycle was decided in 2006 for the years 2007-2009 with stable quotas. In view of decisions to be taken on the quota system after 2009, ITF has commissioned the present report which – according to the terms of reference – “shall aim to position the quota in the existing European road transport market and define possible ways for its development”.

The report addresses the following topics: It starts with quantifications of the relevant international road transport markets (chapter 2) and continues to highlight their regulation (chapter 3). This is followed by an analysis of recent

[1] EU27 excluding Cyprus

developments and present characteristics of the ECMT licensing system (chapter 4), a quantitative assessment of the usage of licences (chapter 5) as well as a qualitative assessment of **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats of the existing system in the form of a SWOT analysis based on interviews of stakeholders (chapter 6). Finally, the criteria for basic quota allocation are reviewed and assessed (chapter 7).

2 European road freight transport market

Trade of goods requires transport for the physical movement of goods. International trade and thus cross-border transport demand in Europe went through a phase of dynamic growth over the past 20 years with the creation of a single market in the European Union, the fall of the Iron Curtain which had separated for over 40 years Europe into a Western and an Eastern part with little permeability and subsequently the enlargement of the European Union.

In spite of all progress made in the past in the production of statistical information on international road transport, the data situation is still unsatisfactory, in particular regarding countries outside the EU. This is particularly true for goods transport by road. The EU itself has developed a largely harmonised system of data collection and processing for heavy goods vehicles (HVG) registered in its now 27 member states[2].

According to Eurostat statistics, the road freight transport performance 2005 of vehicles registered in all EU member states including Bulgaria and Romania was roughly 1,800 billion tonne-kilometres[3]. Of these, 568 billion tonne-kilometres were international road haulage of which 43 billion tonne-kilometres were performed outside the EU, thus including cross-trade between non-EU ECMT member countries. According to ITF statistics, the road haulage sector in non-EU ECMT member countries performed 461 billion tonne-kilometres, of which 40.6 billion in Switzerland, Liechtenstein and Norway. In Eastern Europe (14 ECMT countries), Russia and Turkey performed together alone 89%. The distinction between national and international transport is not available for most countries outside the EU.

Comparing the transport performance of EU hauliers on EU territory of 1,757 billion tonne-kilometres (source: Eurostat) with the total territorial road transport performance in the EU27 of 1,765 billion tonne-kilometres in the year 2005 (source: ProgTrans[4]), it can be estimated that some 8 billion tonne-kilometres were performed by non-EU hauliers within the EU, hence four times

[2] These statistics report what vehicles registered in each country perform whether this transport takes place within this country or outside (national concept). Another reporting concept which is referred to as the territorial concept, looks at the transport performance within a country produced by vehicles registered anywhere. If we take as an example the case of France, we note that French trucks have carried in 2005 a total of 205 bn tonne-kilometres (tkm) of which 177 bn tkm (national concept) for domestic haulage (loading and unloading within France) and 28 bn tkm in international haulage including crosstrade and cabotage (DG TREN, 2008, pp. 112 ff.). Part of the international transport is performed within France, the other part outside. Looking at France within its borders, a total of 278 bn tkm were carried in 2005, of which again 177 bn tkm correspond to the national (domestic) market and 101 bn tkm to the international markets, performed in part by French vehicles but also by foreign vehicles. In addition, we must also be aware of the distinction between traffic performance which is the movement of vehicles whether laden or empty (measured in vehicle-kilometres, or vkm) and transport performance, which is the movement of goods within a vehicle (measured in tonne-kilometres).

[3] DG TREN Statistical Pocketbook 2007/2008, pp 112-114

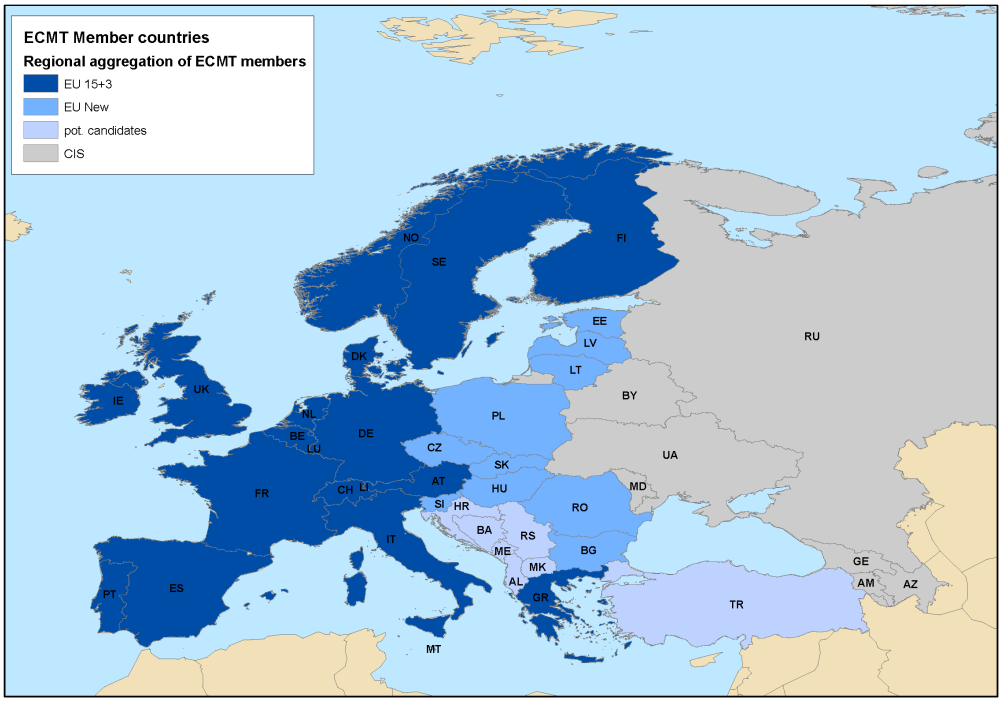
[4] ProgTrans European Transport Report 2007/2008, Basel 2007, p. 316

less than EU hauliers performed outside the EU (43 bn tkm). The balance is thus presently very much in favour of EU hauliers.

Ideally, one would like to be able to relate the usage of ECMT licences to country-to-country road transport flows. Such origin-destination (OD) flow matrices are not produced for ECMT countries. They are produced by Eurostat for vehicles registered in any of the EU member states. To show such a matrix at a suitable level of aggregation, we have clustered the ECMT countries (Figure 1) as follows:

- EU15+3: Old EU member states and in addition Norway, Liechtenstein and Switzerland
- EU New: EU member states having joined the Union in 2004 and 2007[5]
- Potential candidate countries (AL, BH, HR, MK, MN, RS, TR)
- CIS countries (AM, AZ, BY, GE, MD, UA, RU)

Figure 1: Clusters of ECMT member countries



Source: ProgTrans

A first OD-matrix stems from Eurostat but reports only on transport volumes (tonnes) of vehicles registered in one of the EU member states (Table 1).

[5] Except Cyprus

Table 1 International goods transport by road of vehicles registered in EU27 member states 2005

in million tonnes

		UNLOAD				
		EU 15+3	EU New	pot. candidates	CIS	Sum
LOAD	EU 15+3	620.6	45.6	0.7	1.8	668.7
	EU New	49.9	29.1	1.1	4.3	84.4
	pot. candidates	0.5	0.7	0.0	0.0	1.2
	CIS	2.2	1.4	0.0	0.0	3.6
	Sum	673.2	76.8	1.8	6.1	757.9

Source: Eurostat

The flows in the Eurostat matrix omit the transport volume of road freight vehicles registered in ECMT member countries outside the EU. Complete OD matrices are today not available from any statistical source. They are produced from transport modelling exercises. For the time being the matrix 2005 established for TRANS-TOOLS version 2[6] appears to be the most appropriate data base for the purpose of the assessment of the ECMT quota: it has been developed for the Trans-European Transport Network (TEN-T) planning and covers all ECMT member countries. The detailed country-to-country road freight matrix is reproduced in Annex 1. Aggregated to the above mentioned cluster, the transport flows shown in Table 2 emerge. We note from Table 2 that the transport volume between old and new member states and between new member states themselves amounts to 228 million tonnes. This is nearly half (44%) of all freight carried by road between countries outside the old EU. The enlargement has thus increased the internal EU market by 35%. This freight can now be carried with EU community licences.

[6] The original TRANS-TOOLS (Transport forecasting and Scenario Testing) project was established and mandated in 2004 by the European Commission to build up a TEN-T network model for the year 2000 for European transport infrastructure development policy. The TRANS-TOOLS version 2 model is defined as a multimodal network model to the transport at the European level and evolved from several considerations, as to sharpen the previous model and build an instrument for passenger and freight transportation in Europe. With a very detailed zonal structure, it displays the transport of passengers and freight transportation (t) for the different mode (rail, road, sea, inland waterway) or even a mix of modes. Main data sources are trade databases (e.g. COMEXT) and Eurostat road traffic estimates. For assembling an ECMT area wide matrix of transport relations covering transport flows between extra-EU countries, the downloadable 2005 base year input database (tt_basematrix.mdb) was used. The TRANS-TOOLS input dataset was used to build up a matrix of ECMT members to visualise and assign the different transport volumes between all ECMT member countries. For the preparation of a road transport matrix for the year 2005, the TRANS-TOOLS input data (road transport volumes between 3 modal sections at nuts 2 level) was summarised.

Table 2: International road goods transport between ECMT countries 2005

in million tonnes

		UNLOAD				
		EU 15+3	EU New	pot. candidates	CIS	Sum
LOAD	EU 15+3	647.2	63.0	9.3	0.9	720.5
	EU New	77.3	87.9	14.8	19.1	199.0
	pot. candidates	9.5	7.1	10.5	1.0	28.1
	CIS	13.8	76.8	2.4	123.1	216.1
	Sum	747.8	234.7	37.0	144.2	1'163.8

Source: own calculations based on TRANS-TOOLS data

The TRANS-TOOLS matrix is expected to show higher values than the Eurostat matrix, because it includes freight carried by vehicles registered in the whole ECMT area in contrast to Table 1, which only reflects the freight carried by vehicles registered within the EU. We note however two problems: the volume transported from EU15+3 to CIS countries is lower in the TRANS-TOOLS matrix than in the Eurostat matrix. Inversely, the TRANS-TOOLS matrix shows for transport volumes from CIS to EU countries much higher freight volumes. With a closer look into the disaggregated TRANS-TOOLS matrix (in Annex 2), it can be stated that the main goods volumes between CIS and New EU members are mainly related to Russian hauliers. In the transport volume of 13.8 million tonnes from CIS to EU15+3 countries, for example, over 12 million tonnes are from Russia to neighboring Finland. We have checked these anomalies by referring to trade data but could not find explanations there. The differences could partly be bonded truckloads to the port of Helsinki and similarly to other seaports with non-EU registered vehicles. We have to clearly state that there remain unresolved issues with the TRANS-TOOLS matrix (Annex 2).

Long-term forecasts suggest that within the EU27 countries, international road transport demand will double between 2005 and 2030[7]. A similar growth path is anticipated for transport between Eastern and Western Europe[8]. The growth would decelerate slightly in the longer term. The impact of the financial and economic crises may delay this growth and possibly reduce to some extent

[7] ProgTrans AG: European Transport report 2007/2008, Basel 2007

[8] ProgTrans AG: IFMO Report, Ost-West Güterverkehr 2030, Basel 2008

the dynamics. But we reasonably expect that the above forecasts will at least materialise by 2040.

3 Regulation of international road transport markets in Europe

The movements of road freight vehicles across borders between ECMT member countries are regulated. For each and every border crossing and movement within a foreign country, a permit is required. Three types of licences/permits are used:

1. Community licences for trucks registered in an EU member state to operate in all countries of the EU. Such licences are unlimited as long as the operator qualifies for them and fulfils the conditions. Each vehicle has to carry a conform copy of the licence and can operate any international transport within the Union, as well as limited cabotage. Validity is five years.

2. Multilateral ECMT licences allow operating international transport between any two ECMT member states (cabotage is not allowed). From 1 January 2006 the number of loaded trips not involving the country of registration is limited to three; the driver subsequently has to return to the country of registration (This regulation is referred to in this report as the three-trip rule). Validity is 12 months; short-term licences for one month can also be obtained.

3. Permits for single or multiple journeys during a defined time frame are issued on the basis of bilateral agreements between individual governments. They are generally based on the principle of reciprocity, meaning that the same number of permits is reserved for vehicles from each country. Own account transport is normally exempt.

EU community licences

With the Regulation EEC 881/92, issued by the European Council in 1992, the quantitative quota system for international road transport was replaced by the community authorisation (licence), which is based on three qualitative criteria. The EU wide permissions are based on a good reputation, a professional competence and the sound financial standing of an operator, as stated in EU directive 74/561. As a result all bilateral authorisations for member states, all community quotas and all authorisations for transit in or out of third countries were revoked.

The deregulation of the internal road transport market aimed at:

- removing distortion of competition
- harmonising the social and technical legislation
- assuring a smooth functioning of the market.

By creating uniform rules of market access and by abolishing all restrictions relying to the nationality of the provider of the service, the EU established the freedom to provide commercial cross-border transport services. These restrictions were also abolished for the provider not registered in the country where the service takes place.

Nowadays there exist no more quantitative restrictions concerning the EU internal market access for community operators of road transport services. Partially, this also includes the transport of goods on national markets by foreign operators (cabotage), regulated by EU regulation EEC 3118/93 which allows member states to impose certain restrictions, in particular with regard to cabotage, on a temporary basis only.

New rules on cabotage within European member states of EU hauliers are under discussion (COM(2007)265, adoption estimated for March 2010). In a common position, Council and Parliament have agreed to limit for foreign operators from an EU member state cabotage operations to only three trips within seven days, following each international transport. Furthermore it will only be possible to do up to three more cabotage trips on the way back to the registering country, however only one cabotage trip per country crossed.

Bilateral Agreements

In contrast to the community licences, the bilateral transport services of road transport between EU member states and third countries as well as between third countries themselves (with few exceptions) continue to be regulated. Characteristically for the bilateral transport of goods between countries is that there is no international agreement on a governing framework apart from ECMT recommendations for bilateral agreements[9] which, however, seems to be rarely followed. The existing arrangements are more or less denoted by reciprocity and territoriality, due to the individual interests of the negotiating countries.

Little is known about the content of bilateral agreements with regard to road freight transport and the numbers and usage of exchanged permits. There exist a wide variety of such agreements, which generally restrict the access of an operator to a partner country's market. The range of possibilities may vary

[9] Recommendation Framework for Bilateral Agreements in Road Transport (ECMT/CM(97)21)

from a not quantified licence system to a limited system, in which even the number of available transit licences may be restricted. In certain cases, foreign operators may not be allowed to take return load to their home countries. Another critical point is the management of scarce authorisations at the national level, which may lead to inefficiencies. Within some bilateral agreements, environmental and safety related concerns have lately been considered[10]; this is, however, not a major characteristic or concern of these agreements since they are based on the reciprocity principle.

Progress on the road to liberalisation of bilateral regimes seems to be governed by concerns of certain EU member states regarding:

- Differences in operating costs and in particular of crew costs
- Low roadworthiness and environmental standards of vehicles
- Qualification of drivers and non-respect of driving and resting times.

It appears that a study on bilateral permits for the European Commission is underway or meanwhile completed. No information has become available to the public. Possibly, this report will shed light on past developments and prospects for the future. The Commission has up to now no mandate to negotiate permits valid for all EU member states.

The ECMT multilateral authorisation system is reviewed and assessed in Chapter 4.

[10] See IRU (2004), p.222f.

4 The ECMT multilateral quota system – characteristics, functioning and usage

The data for the description and analysis of the ECMT multilateral quota system was provided by the ITF secretariat which is in charge of the management of ECMT licences. Most of this data has been published by the ITF on a regular basis since 2004. The available data and documents relate to:

1. Quota calculation / licence distribution
2. Statistical surveys
3. Logbook monitoring

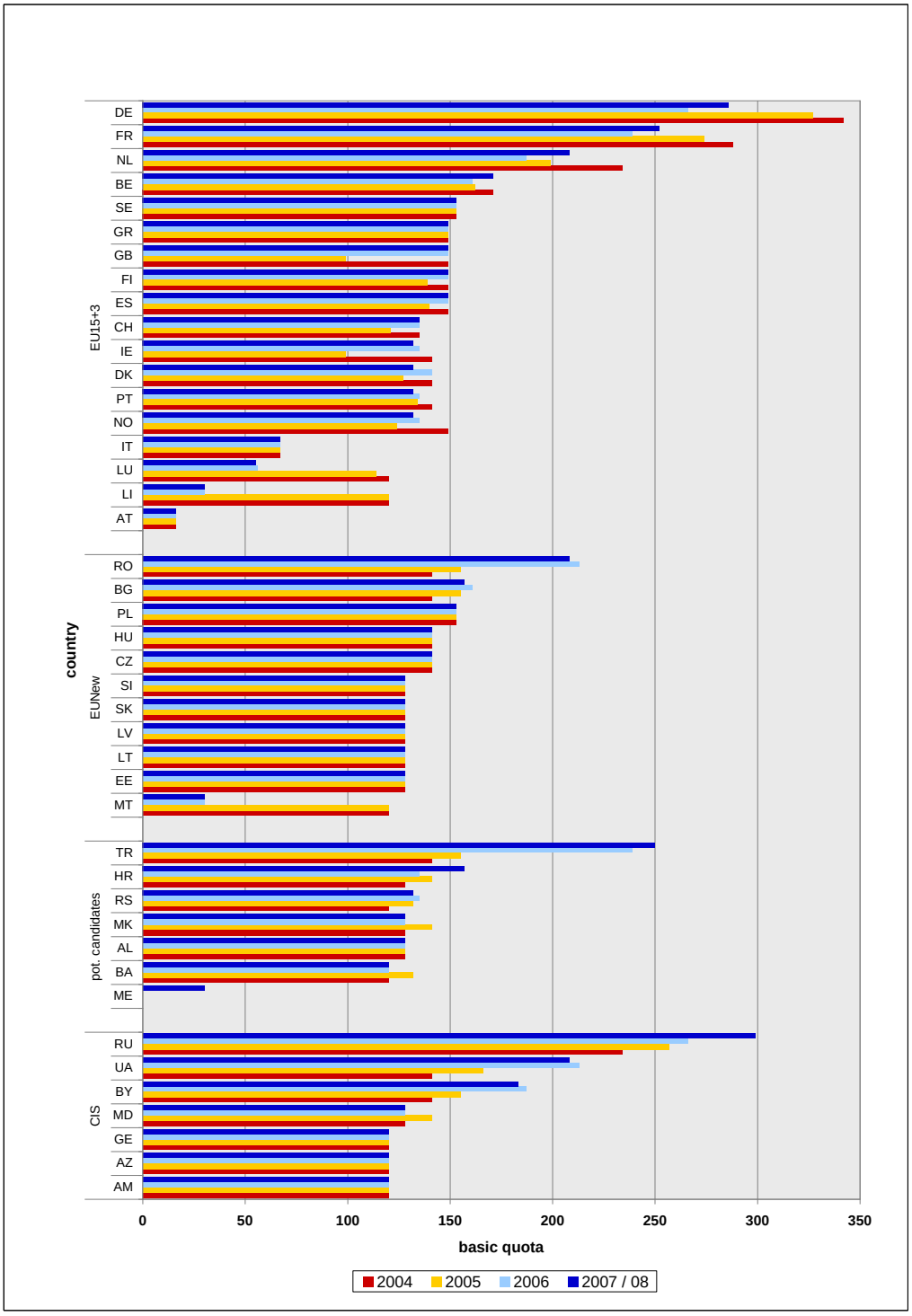
The data on topic 1, provided for the years 2006 – 2009, consists of information about the basic quota for each member country, the country specific licence calculation per vehicle class, the numbering system per country and a summarisation of calculated licences for past years. The data sets from the statistical surveys provided for the years 2004 to 2007, mainly cover information about the licence usage of each country, trip differentiations and reported infringements. These bimonthly reports, gathered by the national authorised agencies, provide the main basis for the assessment of the importance of ECMT licences for the European road transport market. Furthermore, the provided data from evaluated logbooks (topic 3) mainly contains information about haulier specific usage of licences.

Allocation of the basic quota

The ECMT quota system is the only pan-European licensing system for multilateral access rights to international road freight transport market. Hauliers registered in an ECMT country, which have obtained an ECMT licence from their national authority, have the right of international transportation of goods between countries within the ECMT area (international transport is defined as a movement of goods between two countries participating in the system irrespectively of crossing other member countries, respecting certain rules (no cabotage, three-trip rule, etc.)).

The quota, allocated to each country during the period 2004 to 2007, is shown in *Figure 2*.

Figure 2: Basic quota 2004 – 2007



Source: ITF data

The basic quota is determined by the ECMT Group on Road Transport (last allocation procedure in March 2006) on the basis of ten criteria, valid from

2007 until 2009[11]. The decision to use a weighted average instead of a simple average of rankings as a basis for the distribution of the quota is also agreed by the Group (see the assessment of the criteria in Chapter 7). The allocated basic quota for each member country is shown in Figure 2 for the period 2004 to 2007 (the 2007 quota has been fixed for three years until 2009). The diagram is differentiated with regard to the above mentioned cluster regions (EU 15+3, EU New, potential candidates and CIS). It is easy to observe, that the basic quota, which total number (6090) varied just slightly over the 4-year period, did not change for most members. In each clustered group there are just a few member states with a high domination in the total number of the basic quota, e.g. Germany (DE), France (FR) and the Netherlands (NL) in the EU 15+3 cluster, Romania (RO) within the group of new EU member states or Turkey (TR) within the group of (potential) candidate countries. Russia (RU) has now the highest basic quota (299), second is Germany (DE) with a quota of 286 (see *Table 3*). Special regimes are applied to Austria, Greece and Italy that limit the number of permits for their territory, obtaining in exchange very low quota.

Table 3: Distribution of the basic 2007 quota by cluster

Basic quota 2007	
EU 15+3	2497
EU New	1470
pot.candidates	945
CIS	1178
Total	6090

Source: ITF data

In addition to the basic quota, the member countries agree on conversion rates and bonuses for various vehicles emission types. For each vehicle class, a “coefficient” and “bonus” are defined, which are intended to promote cleaner vehicles and as a result create incentives for an environmentally less damaging and a safer fleet.

Issue of licences

After a basic quota has been allocated to each member country, national authorities determine the desired number of the licence allocation in terms of number of licences per vehicle class and duration. Vehicles are segmented by

[11] International Transport Forum: Group on Road Transport, Development of the multilateral quota – Preliminary Consultation on the Restructuring of the quota from 2010 (ITF/TMB/TR(2008)10)

emission standard (e.g. greener and safer, EURO III, EURO IV, EURO V etc.) and validity of the licence (annual and short term). If requests from operators in a given country exceed the available basic quota, the government can obtain additional permits by applying for licences for vehicles with lower emissions (respectively a higher EURO class). As a result, the total number of available licences can be increased by the national authorities applying for lower emission licences. Within the licence calculation system the basic quota is partitioned into the Euro class categories by the national authorities. For each category a conversion rate and a bonus is defined by the ECMT member countries. Due to the fact that a higher conversion/bonus rate is assigned to a higher Euro class, the total number of licences is dependent on the partitioning of the basic quota. More precisely, the number of annual licences are supplemented by vehicle class bonuses (e.g. 2007: EURO III: +20%, EURO IV –V: +40%), which is calculated as the share of quota per class for each country multiplied with its basic quota. In turn this value is multiplied with the product of the fixed bonus and the vehicle class coefficient[12].

As an outcome, the licences of each class are summarised to the total number of licences. Figure 3 shows the ratios by class of issued annualised licences to the basic quota in 2008.

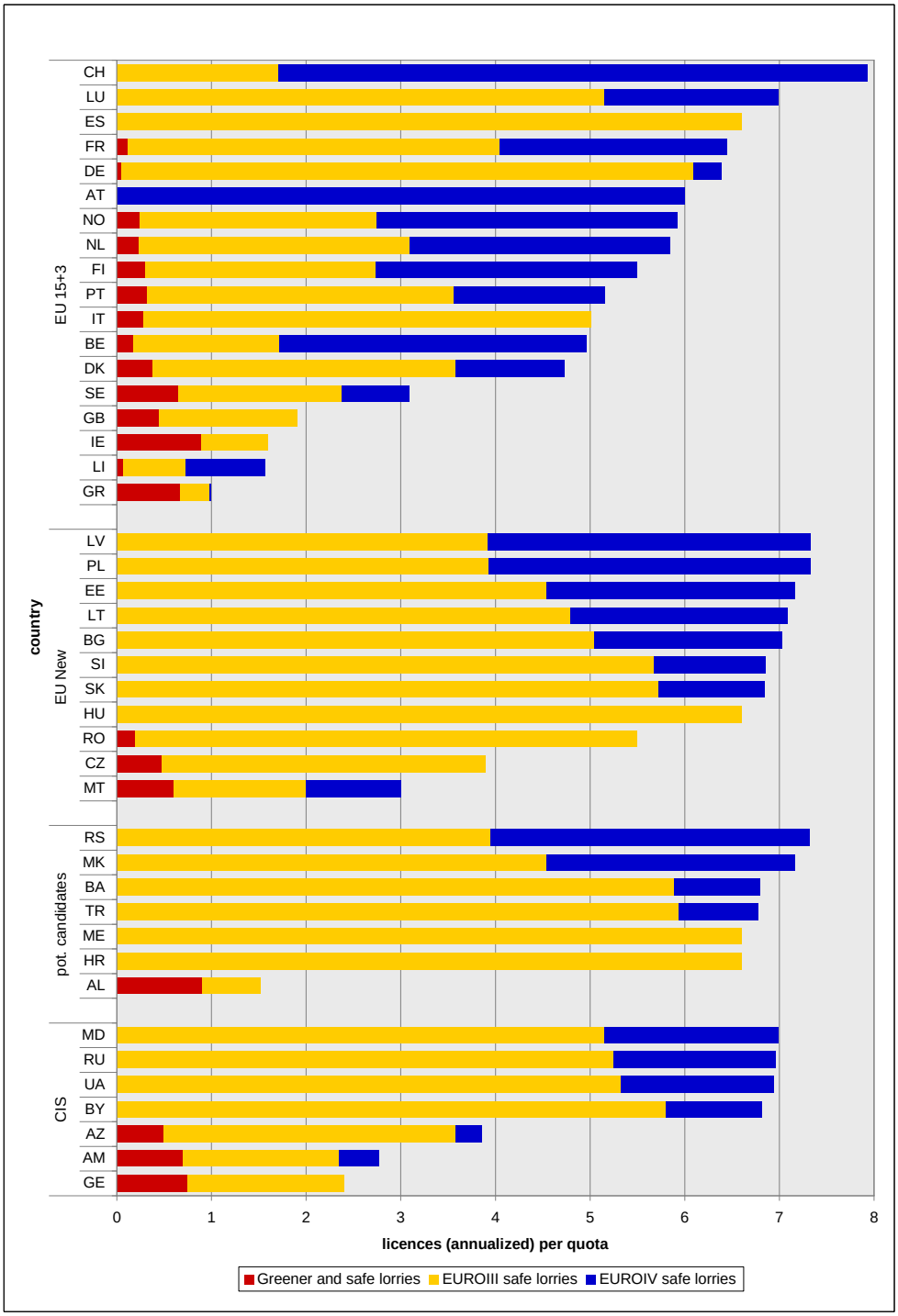
Within our analysis the considered licences were annualised. This means that short term licences (validity 1 month) were converted by a calculation into licences with an annual validity. As a result our analysis is based on a summarisation of these different types of licences, subsequently called “annualised licences”.

The issued annualised licences are specified as the licences, which are allocated to the hauliers. Their number is based on the quota calculation. As a result, this ratio is an indicator of the environmental quality of the national vehicle fleet operating with ECMT licences. As already mentioned, the calculation of a national licence contingent over a conversion rate (+ Bonus) implies a high licence allocation to environment friendly and safe vehicles, like EURO V class vehicles. Furthermore the higher this coefficient, the higher the safety standard of a national vehicle fleet is. Regarding the total number of issued licences for each system participant, it can be stated that there are only a few with a very low number of licences per quota: Greece (1.0), Albania (1.53) and Liechtenstein (1.57). The majority of countries are positioned in the range between 6 – 7, especially for CIS, potential candidate and EU New countries. This is a result of renewing the fleet in the past few years, which one can see

[12] Annual licences: number of licences for class x coefficient + bonus licences; Short term licences: number of licences for class x coefficient x 12; Bonus licences: (basic quota x share of licences for class) x (bonus x coefficient)

on the low ratio of “greener and safe” lorries. Whereas the group EU 15+3, lead by the coefficient of Switzerland (CH: 7.93) is characterised by a wider range of coefficients.

Figure 3: Issued licences per quota 2008 for each member country



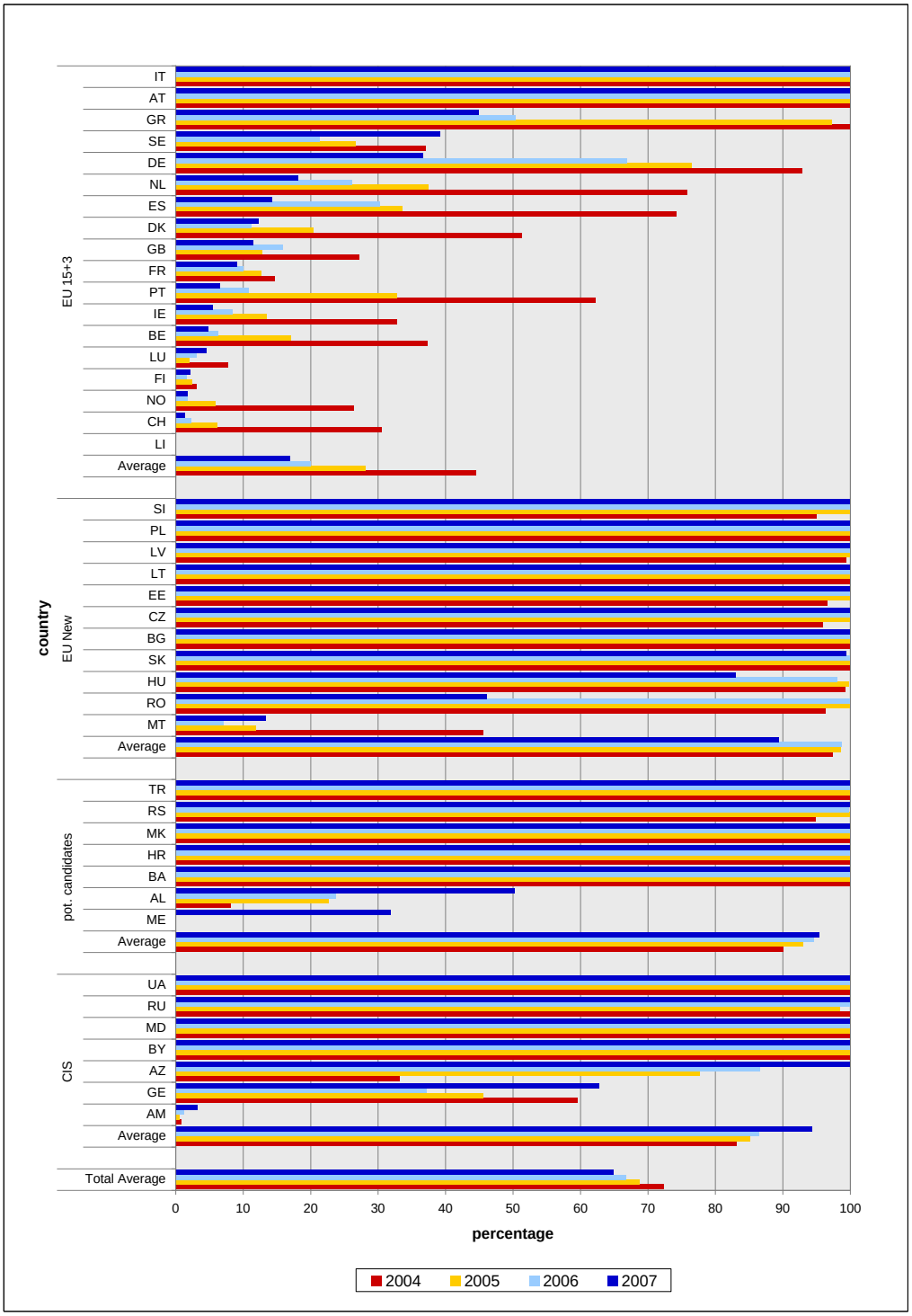
Source: ITF data

From the ratios indicated in Figure 3, it can be concluded that old EU member states have generally a lower fleet quality profile than new EU member states, potential candidates and CIS countries. Relatively fewer EURO IV licences are being issued, which reflects the fact that the demand for ECMT licences remains below the allocated licences. Otherwise the share of EURO IV licences compared to the total number of issued licences would be higher. This picture reflects the low demand of licences in the EU15+3 cluster.

Usage of licences

Figure 4 shows the shares of actually distributed licences in the years 2004 to 2007 by country and cluster. In total, the weighted average shares of used licences decreased just slightly over the described period. While the usage within the EU 15+3 area decreased significantly to a weighted average ratio of only 17% in 2007 the group of new EU countries at least used about 90% of issued licences. Once more the value for the usage of licences of non EU countries, represented by potential candidate and CIS countries is even higher with a share at about 95%. This result can also be easily observed within the national values of used licences. Except for Italy and Austria where a special regime governs the quota allocation, the usage of licences is low, for 15 of the 18 EU 15+3 countries (no data available for Liechtenstein) below 50%, for 12 countries out of this cluster even less than 20%. This reflects the fact that the need of EU operators for licences for international transport outside the EU is rather limited for these countries because cross trade between low-income countries is not attractive for them. In contrast, except a few exceptional cases, more precisely Romania, Malta, Albania, Montenegro and Armenia, within the remaining clusters the ratio of used licences is very high. Summarised, the figure shows once more the growing importance of ECMT licences in Central and Eastern ECMT member countries.

Figure 4: Use of annualised licences 2004 – 2007

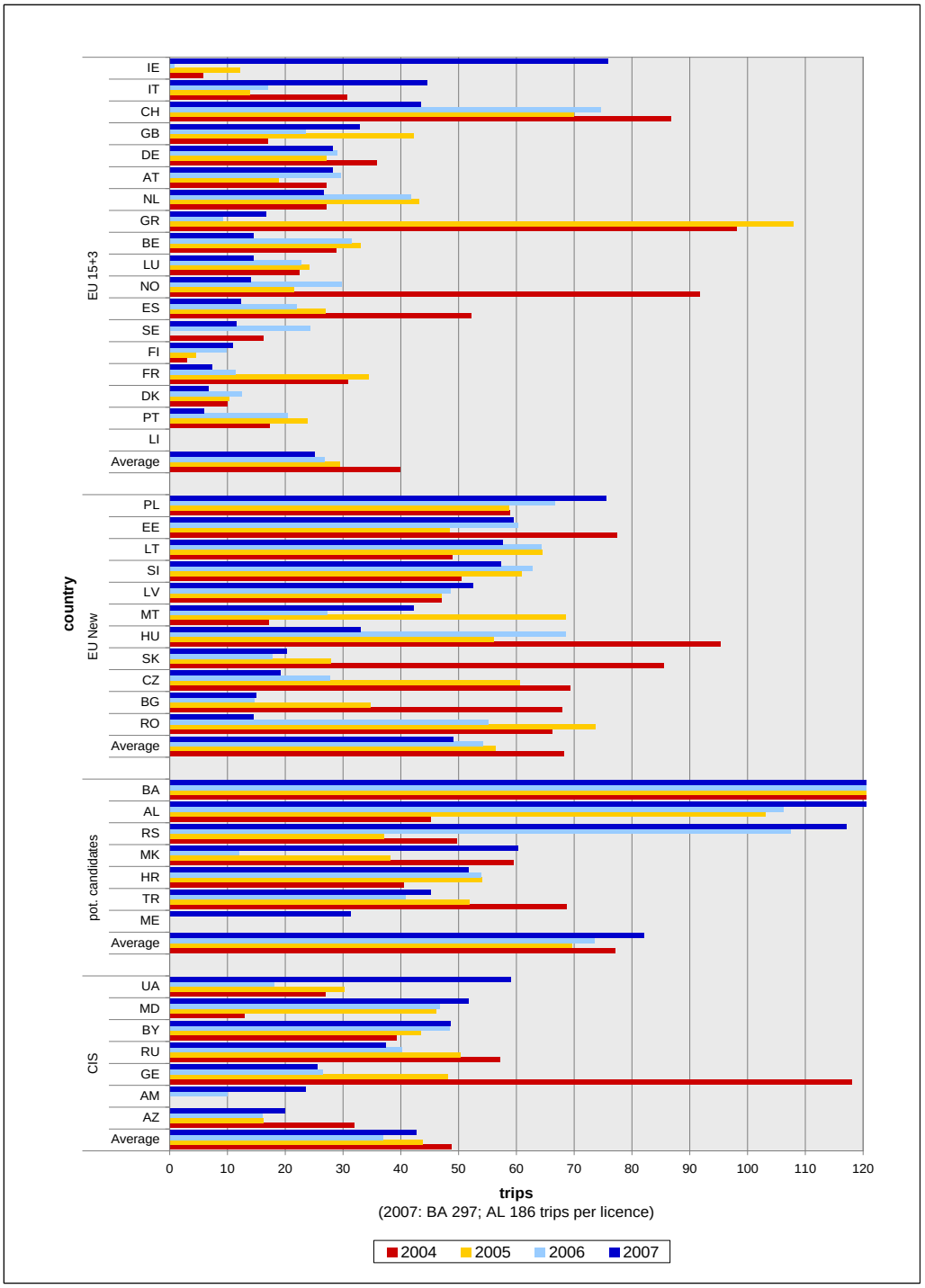


Source: ITF data

Trip data

The data provided by ITF display the **development of the yearly number of trips** per evaluated annualised licence for the years 2004 to 2007, shown in Figure 5.

Figure 5: Yearly trips per evaluated and annualised licences 2004 – 2007

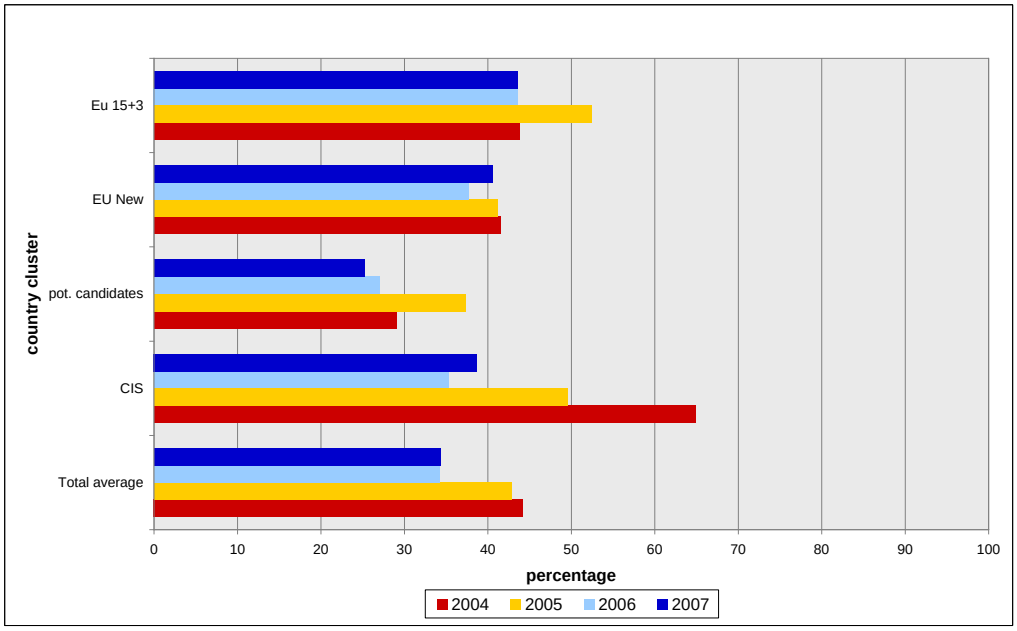


Source: ITF data

The weighted average values for the clustered countries show relatively high numbers of annual trips per licence in the potential candidate countries, which is basically influenced by the outlier values for Bosnia-Herzegovina and Albania (297 resp.186). The number of annual trips for the EU 15+3 countries is quite low with 25.1 in 2007. This value suggests that an ECMT licence was used only for a few international trips. However, nothing is said about the average length of the trips. The annual mileage that can be performed with a licence is of course limited. It can therefore be assumed that the higher the yearly number of trips, the shorter the distance travelled. In the case of Bosnia & Herzegovina, a logbook shows frequent trips to nearby countries.

Figure 6 gives an insight regarding the evolution of so called “third country traffic” in the period of 2004 to 2007. These are trips transporting load between two foreign countries, but also empty trips. The total average of third country transport shows a significant decrease in 2006, which is likely to result from the introduction of the “three-trip rule”. The weighted average value for the two EU clusters shows a stable picture. In contrast, the share of third country transport with ECMT licences of operators registered in potential candidate countries decreased from 2005 to 2006 by about 10 percent points, whereas the share of trips made by CIS group operators outside their country of registration decreased considerably by 14 points to just 36% of all trips. Furthermore, the weighted average of the share of the third-country trips decreased within all regions between the years 2005 to 2006 by 9 points from 43% in 2006 to 34% in 2006. The drop of this ratio in individual countries indicates that the three-trip restriction is discriminating the operators of countries which are located in the outer regions of the main ECMT area (e.g. Russia from 43% in 2005 to 15% in 2006 and Albania from 89% to 69%), because of the difficulty to find return load.

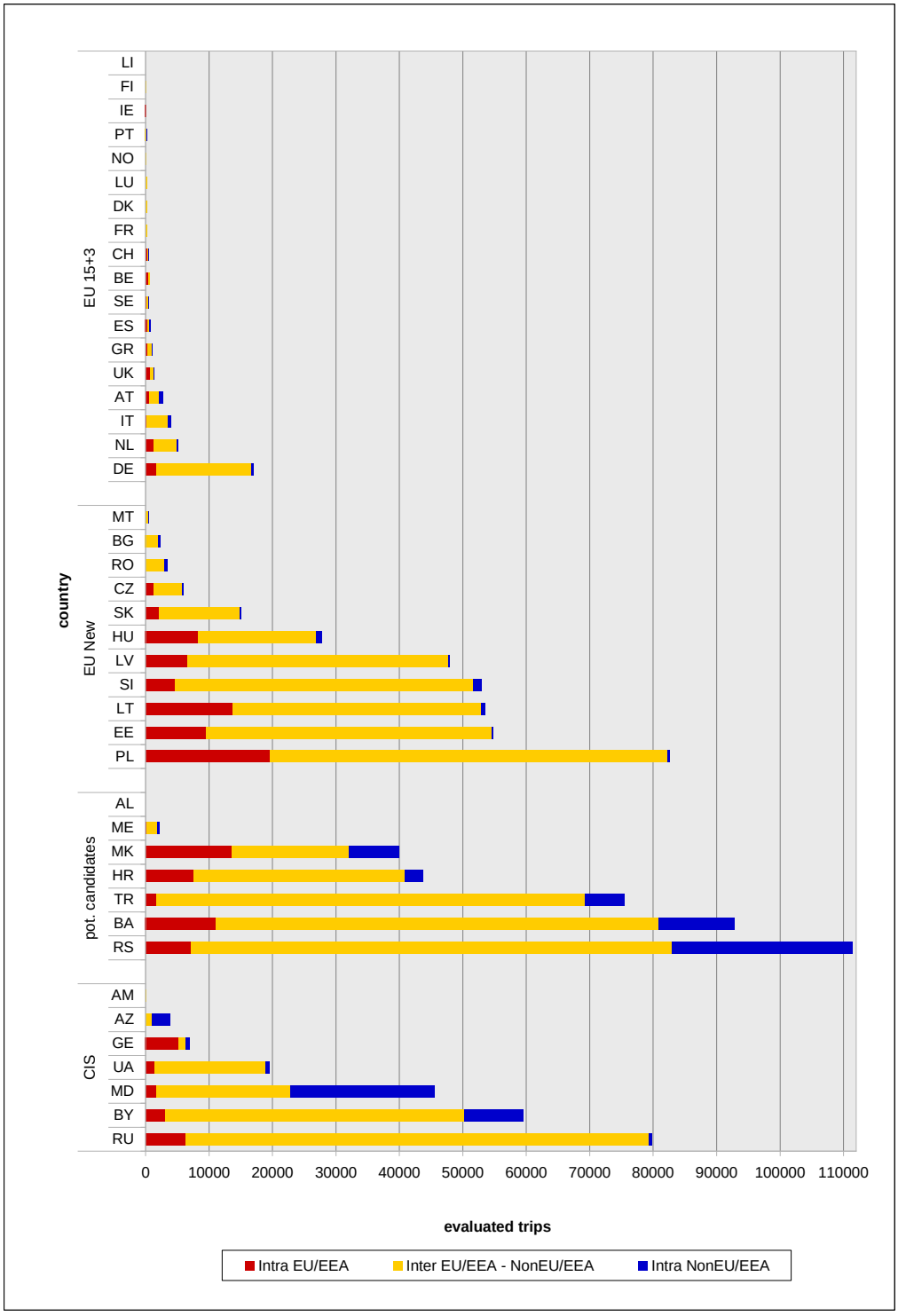
Figure 6: Share of trips (loaded and empty) outside country of registration 2004 – 2007



Source: ITF data

The evaluated trip data compiled in Figure 7 reinforce the above conclusion. The graph plots the distribution of trips between the three geographical relations: trips within the European Union (red), trips outside the EU (blue) and in between the trips between EU and non-EU countries (yellow). The latter category is the dominant part. It is clearly shown that EU operators, and this is also true for those from new EU member states, perform very few trips between non-EU ECMT member countries. Not quite understandable is the fact that vehicles from EU member states use ECMT licences for intra-EU trips for which community licences could be used. Understandably, operators from potential candidate and from CIS countries aim at performing transport activities within the EU with ECMT permits, however with obviously limited success, which again might be the result of the three-trip rule. This issue is supported by a comparison of annual changes, which shows a significant reduction of the share of intra-EU trips to the total number of evaluated trips for CIS countries (2004: 48.7% - 2005: 30.8% - 2006: 8.5% and 2007: 8.3%) and to a lesser extent for potential candidate countries (from 16.6% in 2004 to 11.3% in 2007). Bilateral agreements between CIS countries (e.g. UA and RU) could be the possible factor for the low number of trips within the non-EU countries, performed by ECMT licences. The huge overall number of trips made by operators registered in potential candidate countries is significant, due to the high number of short distance trips (as evidenced in the logbooks) and to some extent because of their privileged location for supplying transport services within or between the three geographical relations.

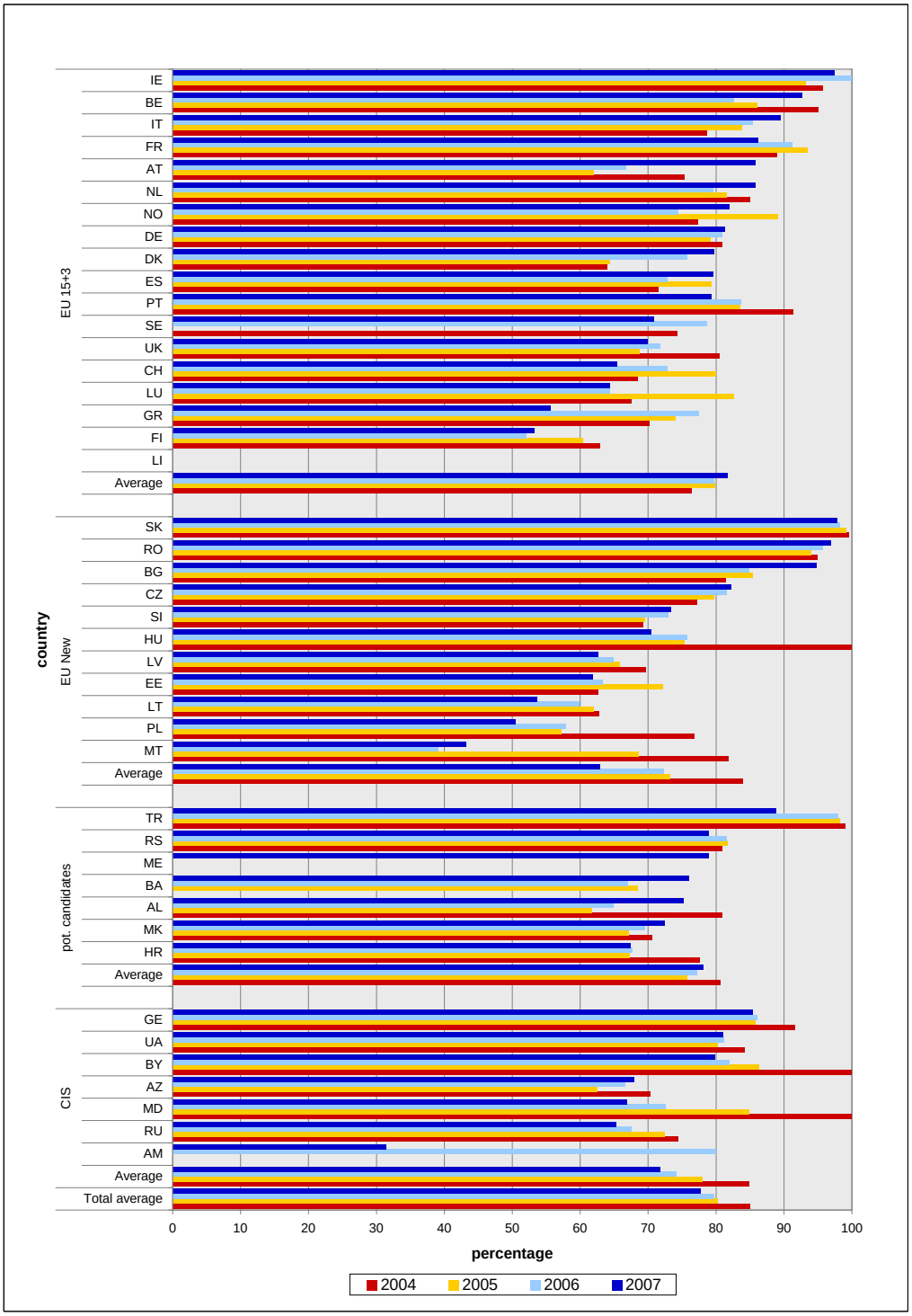
Figure 7: Trips Intra EU / Inter EU-Non-EU / Intra Non EU 2007



Source: ITF data

The share of loaded trips, shown in Figure 8, declined from 85% in 2004 to 78% in 2007, **7 points** down. The decline is particularly strong in the new EU member states (21 points down from 84% to 63%) while trips with licences of old EU operators show a slightly increasing tendency (5 points up).

Figure 8: Share of loaded trips 2004 – 2007



Source: ITF data

A few countries record very low empty trips (below 10%): Ireland and Belgium in the West, Slovakia, Romania and Bulgaria in the East.

5 Importance of ECMT permits in the relevant markets

As already outlined in the preceding chapters, a solid statistical basis for the quantitative assessment of the importance of the ECMT quota in the transport markets is not readily available. Road freight transport data from ITF, Eurostat and the ProgTrans European Transport Report data base provide the best ground for the estimate of the two market share indicators presented in this chapter. As regards the usage of ECMT licences, we consider the results of the statistics compiled by ITF as sufficiently representative and reliable. However, a market analysis has to go further by extracting reliable and representative figures of traffic performance (origin and destination of each single trip together with the corresponding load (even if the vehicle is empty) in order to calculate the corresponding transport performance. We have reviewed a number of logbooks from several countries in this regard but have come to the conclusion that a detailed processing of the logbook data available at the ITF secretariat would not lead to the desired result since many of the logbooks have gaps in their recordings, in particular of empty trips and the sample would thus not be representative. We therefore take into consideration certain results from the 2004 NEA survey for ECMT (CEMT/CS/TR(2004)6).

Transport performance throughout the ECMT area

We estimate that the **transport performance with ECMT permits** was in the year 2007 in the order of **33 billion tonne-kilometres** (22,334 annualised permits (ITF), 102,000 km per year (NEA 2004) and an average load of 14.5 tonnes (NEA 2004).

If we relate this transport performance to the performance of international road freight transport in the ECMT area which we estimate to have been around 660 billion[13] tonne-kilometres, **the (maximum) market share was in the order of 5%**.

[13] of which 568 billion tkm for EU26 countries (Eurostat) and 92 billion tkm for non-EU ECMT countries (ca. 20% of total road haulage of operators in these countries)

Transport performance of non-EU vehicles within the EU

The second indicator is the market share of vehicles from non-EU ECMT member countries in the internal EU road freight transport market. The calculation in *Table 4* below relates to the year 2007.

Table 4: *Calculation of market shares of non-EU vehicles operating with ECMT licences in the EU in 2007*

	Potential candidates	CIS countries	all non-EU countries	*Source:*
licences used (annualised)	4998	6297	11295	*ITF statistics*
x estimated annual mileage per licence (km)	124000			*ITF/NEA (2003)*
x estimated load factor, incl. empty trips (t)	14.5			
maximum transport performance p.a. (bn tkm)	**8.986**	**11.322**	**20.308**	
x share of intra-EU trips (%)	11.3	8.3		*ITF statistics*
likely transport performance p.a. within the EU (bn tkm)	**1.015**	**0.940**	**1.955**	
./. international road transport performance within EU (bn tkm)	588			*ProgTrans (est.)*
likely share in EU market (%)	**0.17**	**0.16**	**0.33**	

The calculation starts from the number of annualised[14] used ECMT licences, taken from the ITF statistical evaluation of the ECMT quota usage. These licences are assumed to be used for an average transport performance of 1.8 million tkm each, corresponding to an average traffic performance of 124,000 km per year and an average load factor of 14.5 tonnes (see CEMT/CS/TR(2004)6, p. 24). In the next step, the share in total transport performance of vehicles from potential candidates and from CIS countries operated within the EU is estimated by applying the relevant shares of trips within the EU obtained again from the ITF statistical evaluation. The corresponding shares are 11.3% for vehicles from potential candidates and 8.3% for vehicles registered in one of the CIS countries. The weighted average is 9.6% for all non-EU vehicles, resulting in a total of 1.955 bn tkm operated by non-EU vehicles on trips exclusively for transport within the EU (loading and unloading within the EU territory). In a last step, this resulting likely transport performance is now related to the total international transport performance within the EU territory, estimated by ProgTrans to have been in the order of 588 bn tkm in 2007 (based on a short-term forecast with data from 2005 and partially from 2006).

This calculation positions the market share of non-EU vehicles operating intra-EU transport with an ECMT licence in 2007 at 0.33%. In 2005, before

[14] 12 short-term (monthly) licences are converted into one annual license.

the change to the three-trip rule, the share was 0.79%, determined by a higher share of operations of CIS vehicles within the EU.

The reciprocal share of EU registered vehicles in international markets outside the EU using an ECMT permit cannot be established with certainty since for non-EU countries statistical data on international haulage are not available. Eurostat statistics indicate that in 2005, EU registered HGVs performed a total of 43 billion tonne-kilometres outside the EU (48% by vehicles from EU15 and 52 % from EU10 countries) with bilateral **and** multilateral permits. As one would expect, the road haulage industries of the new EU12 countries have absorbed most of the growth of East-West trade. In 2005, Latvian HGVs have performed 40% of their international transport performance outside the EU, Lithuania and Estonia 34% and 28% respectively and Poland 15%, while this share was low and often decreasing in Western countries, e.g. Germany with 7%, France with 4% and Portugal with just 1%.

A similar estimate as for non-EU ECMT permits (*Table 4*) was carried out for operations with ECMT permits of EU-registered vehicles outside the EU *(Table 5)*

Table 5: Calculation of market shares of EU vehicles operating with ECMT licences outside the EU in 2007

	EU15	EU12	EU27	*Source:*
licences used (annualised)	2103	8936	11039	*ITF statistics*
x estimated annual mileage per licence (km)	102000			*ITF/NEA (2003)*
x estimated load factor, incl. empty trips (t)	14.5			
maximum transport performance p.a. (bn tkm)	**3.110**	**13.216**	**16.327**	
x share of extra-EU trips (%)	6.3	1.4		*ITF statistics*
likely transport performance p.a. (bn tkm)	**0.196**	**0.185**	**0.381**	
./. international road transport performance within EU (bn tkm)	42.8			*ProgTrans (est.)*
likely share in EU market (%)	**0.46**	**0.43**	**0.89**	

The assumptions are similar here except the lower annual mileage of 102,000 km which NEA had determined in 2004 as an average of all licences. The estimated international road transport performance between non-EU ECMT member countries is 10% of total freight transport performance of extra-EU countries.

This results in an estimated 0.9% of transport performance in non-EU countries by EU-registered vehicles. This market share is higher than that of non-EU hauliers within the EU.

Although the indicators developed above should be interpreted as giving an order of magnitude, not as reliable exact results, the message is clear:

HGVs from non-EU countries operating international road haulage within the EU with an ECMT multilateral licence serve at present only a fraction of the EU internal market with a share of much less than 1% in terms of transport performance. In reality, the ratio is likely to be even less than that indicated in the table above since the annual mileage of per licence tends to be significantly lower than assumed here as many HGVs operate both on bi-lateral and ECMT licences using the latter only for trips for which the do not have a bilateral permit. **On the other side, HGVs from EU countries operating with an ECMT licence have a higher market share in the non-EU international road freight transport market which is however likely to be slightly less than 1%.**

6 Assessment of the ECMT quota system

The overall assessment of the present ECMT quota system is based on the quantitative analysis on the one side and on a series of interviews with stakeholders on the other side. The interviews were carried out partly person-to-person, partly by phone and partly in writing with transport ministries, licence issuing agencies and national road haulage associations in:

- Denmark, France, Germany, Netherlands and United Kingdom
- Czech Republic, Estonia and Latvia
- Turkey
- Belarus, Georgia, Russia

The questionnaire is reproduced in Annex 3. The assessment is carried out as a SWOT analysis[15], identifying strengths and weaknesses in the present situation and adding opportunities and threats in the future. The SWOT analysis is generally a useful tool to list all positive and negative aspects simultaneously as long as the stakeholders agree on the basic assessment of each aspect. Where conflicting interests play a role, these have to be made transparent; otherwise, the SWOT analysis would not meet its objective.

The principal objective of the ECMT quota system is recognised by all stakeholders: **to facilitate trade through appropriate transport services while improving efficiency, environmental footprint and road safety**. The strengths, weaknesses, opportunities and threats are identified before this background .

[15] **SWOT Analysis** is a strategic planning method used to evaluate the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. The technique is credited to Albert Humphrey, who led a research project at Stanford University in the 1960s and 1970s using data from Fortune 500 companies (Source: http://en.wikipedia.org/wiki/SWOT_analysis).

Table 6: SWOT table based on quantitative analysis and interviews

SWOT analysis: ECMT Multilateral Quota System

STRENGTHS

- effective tool for promotion of newer and cleaner vehicles, with positive impact on environment and safety
- facilitating transport business where bilateral permits are difficult to obtain; easier to use than bilateral permits (reducing time, more flexible)
- freedom to choose shortest/fastest route
- useful tool to find new business opportunities
- useful complement to bilateral permits
- quota small compared to overall market, far from potentially distorting relevant market sectors
- allows operators from non-EU countries to partially compete with EU hauliers
- reducing empty trips, thus reducing transport costs for shippers

WEAKNESSES

- not or only partly based on real needs (only 70% of issued permits are used)
- unbalanced distribution of basic quota
- three-trip rule penalises in particular operators from peripheral areas
- proper usage of permits (3-trip rule) difficult to control
- no harmonisation of controls (left to national administrations)
- diverging interests of member countries prevent speedy compromises to adapt to changing needs and optimisation of the system
- limitation of permits to 6 weeks and subsequently to 3 loaded trips outside home country undermine objectives of empty trip avoidance and transport cost reduction

OPPORTUNITIES

- increase of trade between ECMT member countries
- lending quota to countries in need, on a temporary basis
- redistribution of quota and/or general increase of quota, thus reducing transport costs and improving environmental performance of road freight transport
- liberalisation of the present restriction (3-trip rule)
- cautious increase of total quota
- extension to other countries, either as new ECMT members or otherwise

THREATS

- EU enlargements
- mandate for European Commission to negotiate system to replace bilateral agreements
- universal bilateral permits*
- legally unclear status of ECMT permits*

**this was mentioned in an interview but could not be followed up*

The statements in the above SWOT table (Table 6) need some explanations:

STRENGTHS

- It is underlined by all parties that the ECMT quota system is an effective tool for promotion of newer and cleaner vehicles. In particular in non-EU countries where the quota does not meet the potential use, it is an incentive to invest in more modern vehicles to obtain more licences through the multiplier and bonus mechanism. The positive impact on environment and safety is recognised.
- To obtain bilateral permits is often a time-consuming exercise. ECMT licences facilitate transport business by avoiding unnecessary waiting time. In addition, ECMT licences render transport operations more flexible.
- With this flexibility, the transport operator can use shorter and faster routes, or can on the way take cargo at short notice from which new longer-term businesses can evolve.
- Because of the advantages, ECMT licences are generally seen as a useful complement to bilateral permit system, not as a competition to bilateral permits.
- The quota allows operators from non-EU countries to partially compete with EU hauliers. Due to the quantitative limitation in a very big market, the ECMT licences do not have the potential of market distortion and cannot be seen as a threat of unfair competition.
- The quota system allows more efficient (less empty trips) transport operations at lower costs for the shippers, unless this advantage is overturned by restrictive regulations.

Weaknesses

- The analysis of the usage of ECMT licences has shown that on average, less than 70% of the presently issued licences are used by operators. Usage in the EU15+3 countries has halved over the past four years from just under 50% in 2004 to below 25% in 2007. Obviously, a mechanism of an effective “distribution according to needs” has not yet been put in place. The borderline between need-more and need-less countries is more or less along the former iron curtain.
- The statistical data also mark clearly that presently imposed three-trip rule penalises particularly operators from peripheral areas (CIS countries, Scandinavia, UK/Ireland), Iberian peninsula, Italy, Greece and Turkey). This is reflected in the trip rate per licence. The restriction has less impor-

tance for Balkan countries now surrounded by EU member states where trip rates are particularly high for licences issued in Bosnia & Herzegovina, Albania and Serbia.

- Certain stakeholders maintain that the proper usage of permits, in particular the three-trip rule is difficult to control and that there is until now no effective harmonisation of controls (left to national administrations).
- A final weak point mentioned by stakeholders is the slow process of finding valid compromises acceptable to all 43 member countries. Diverging interests of member countries prevent speedy adaptation to changing needs and optimisation of the system.

OPPORTUNITIES

- Most interviewees have expressed the opinion that the ECMT quota system is an asset and should be further strengthened rather than capped. Before this background, certain stakeholders felt that countries with excess quota could "lend", on a temporary basis, unused quota to countries in need. Others suggested a redistribution of unused quota to countries with shortage of ECMT permits.
- Several interview partners declared an interest in the complete liberalisation of road freight transport in the wider Europe, however certain EU-15 countries wish to limit 3rd country competition within the EU.
- An increase of the quota is postulated by countries not obtaining enough permits. These countries acknowledge that such an expansion should be implemented step by step.
- An extension of the system to other countries was generally welcomed, in particular by those who could mostly profit from such an extension. Trade relations are building up with countries along the TRACECA corridor (Silk Road) including Kazakhstan and Uzbekistan, probably later to China; to the south-west also to Morocco and probably Mauritania. It was, however, unclear if this would require the ECMT organisation to broaden or if formal membership was not compulsory in this connexion.

THREATS

Threats are generally not meant as fatal threats but reducing the importance of ECMT licences.

- Any enlargement of the EU redistributes the ECMT licence mechanism since road haulage operators in new EU member states can operate with

community licences on the whole EU territory. (In the aftermath of the 2004 enlargement, operators in new EU member states seem to be well positioned to operate transport between EU and non-EU countries and are thus generally using ECMT licences to a maximum, probably implying a reduced use in the EU15+3 countries.).

- EU member state governments have so far resisted giving the European Commission a mandate to negotiate bilateral agreements on behalf of all member states. A change of this position is presently not in sight.
- One interview partner from an EU15 country invoked the trend to universal bilateral permits combining traditional bilateral authorisations with transit authorisations and third-country authorisations which would tend to reduce the importance of the ECMT multilateral authorisations. It seems unlikely that a general system of universal permits can be implemented without a multilateral agreement. This point could however not be followed up within the present inquiry.
- Another interviewee said that the status of ECMT permits is not completely clear from the legal point of view and that this may one day have negative implications. This aspect was also outside the scope of this study.

Conclusions

From the above SWOT analysis, we draw the following preliminary conclusions:

- There is general agreement on:
  - the small but positive impact of the quota system to handle international trade,
  - the positive impact on environmental sustainability and road safety,
  - the advantages of the ECMT multilateral authorisations as a complement to bilateral permits, primarily seen in their flexibility to choose ad hoc the route and make unscheduled trips to seize opportunities which otherwise would not materialise, as well as in cutting red tape (reducing bureaucracy).
  - an unbalanced allocation of licences with regard to needs,
  - the complexity of the decision process regarding the allocation of quota, system innovation and liberalisation,

- the advantages of extending the quota system to countries adjacent to the present ECMT 43 area.

- Nevertheless, respondents are split on:

  - the objective of full liberalisation of the usage of ECMT licences,

  - the effectiveness of harmonisation of controls and sanctions,

  - whether or not the share of empty trips or better the share of empty vehicle mileage is increased after the introduction of the six-week rule and after the change to the three-trip rule, although the ITF records on the falling share of trips outside the country of registration can be interpreted differently (see Figure 6 and Figure 8).

7 Options for the future

Liberalisation of road freight transport

The experience of 15 years of liberalisation of road freight transport in the European Union has demonstrated that the underlying policy was beneficial to trade, in particular to international trade, but also to the transport markets as a whole and to the road freight haulage market specifically. Accompanying regulatory measures were necessary with regard to social, technical and environmental aspects to avoid negative impacts of the market opening and to achieve a competitive environment for the road haulage industry.

It is, of course, impossible to isolate and quantify the impact of the transport policy since it was a part of the policy to create an internal European market. Also the enlargement of the EU in 2004, much feared by industries and the road haulage sector, has not led to the anticipated disruptions.

A quantitative analysis, commissioned by the German Federal Ministry of Transport some ten years ago has testified the benefits of the EU liberalisation process in the transport sector[16]. The methodology was based on the identification of impact chains and the estimation of impacts by experts and stakeholders. For the road sector (passengers and freight combined), costs (fixed costs, variable costs and in particular personnel costs would decrease, while average commercial speed, would slightly increase, vehicle occupancy and service quality would strongly improve and so would emissions and, to a lesser extent, accident frequency[17]. Margins were at the time expected to decrease substantially because of free pricing and of anticipated high levels of cabotage (which have not materialised).

The EU liberalisation process has clearly been promoted by competition authorities. Ministers of transport have generally adopted a more conservative approach in particular where a strong stakeholder community pressed to maintain the status-quo. From an economic point of view, liberalisation to increase competition with safeguards against unfair competition has proven it merits.

Market opening for foreign hauliers needs, of course, to be accompanied by appropriate measures to harmonise the rules for the market players. From the harmonisation process within the EU which has been ongoing for the past 30

[16] Meyer-Rühle, O. et al.: Einfluss der Liberalisierung von Verkehrsmärkten in den Europäischen Gemeinschaften (EG) auf die volkswirtschaftliche Rentabilität erwogener Massnahmen an der verkehrlichen Infrastruktur für die Eisenbahn, den Kraftfahrzeugverkehr und die Binnenschiffahrt in Deutschland, commissioned by the Federal Minister of Transport, Final Report, Bonn, 28.02.1999

[17] idem, page 76

years – and much has still to be done in this respect – we know how important harmonisation measures are and how difficult it is to reach consensus amongst member states considering their diverging national interests. We have also learned that in developing new markets, fully harmonised rules must not be a precondition for market opening. The harmonisation process needs to be implemented step by step in order not to jeopardise the economic foundations of road haulage businesses. The objective is to prevent unfair competition and to improve safety standards. In short: liberalisation and harmonisation are complementary, but liberalisation should progress steps ahead of harmonisation.

Harmonisation, in the context of road freight transport, may relate to the following aspects:

- **vehicles:** dimensions, weight, emission standards, safety concepts and devices, control devices (e.g. digital tachograph), ….
- **driving personnel:** access to the profession, driving licences, training standards, maximum driving time and minimum resting time rules
- **enterprises:** access to the trade
- **fiscal conditions:** vehicle taxes, fuel taxes, road user charges
- **enforcement of regulations:** control procedures, infringement classification, penalties

With the EU setting today the standards in all these areas, the medium and long-term perspective for non-EU member countries of ECMT is to adjust to the EU standards, at least for those vehicles and driving staff operating within the EU. The ECMT quota system is founded on a number of these standards, thus raising the quality of international transport. The Group on Road Transport of the ITF discusses further priority areas for harmonisation.

It must nevertheless be well understood that drivers' remuneration is not a subject for harmonisation. Differences in production costs – in the case of road haulage mainly crew costs - and quality of service are the "playground" for the competition from which shippers and consumers in the end draw the benefits of liberalisation.

Economic outlook

The financial and economic crises which started off in 2007 leading to recession in many European countries and even worldwide in 2009 had a negative impact already before the end of 2008 with regard to international trade and subsequently transport demand. From the present perspective of March 2009, we can reasonably anticipate that the general economic situation in 2010 will be similar to that of 2007 or slightly worse. How the economic crisis will develop and how the recovery will look like cannot be foreseen at this point of time. Will the world economy then develop along the past trend or will international labor division restructure reducing for example intercontinental trade?

Four development principles

As mentioned in the introduction, ECMT Ministers defined four principles for a long-term evolution of the Multilateral Quota System at the Ministerial Council in Moscow in May 2005:

1. The quota should become a symbol of the highest quality in international road transport
2. The quota should continue to contribute to improving efficiency and opening markets
3. The quota should strengthen and harmonize control and sanctions
4. The quota of licences should be distributed on the basis of real needs and efficient use.

We have repeatedly stated that the concept and design of the quota system was indeed an incentive for operators outside the EU15+3 area to invest in modern low emission vehicles. This explains why the quality aspect of the ECMT quota system is underlined by all parties. However, we recognise at the same time that for countries where demand of ECMT licences is below the quota allocation, the incentive to invest in better vehicles does not materialise. This is in particular true for the larger countries Spain, United Kingdom and Germany, but also for Hungary, Romania and Czech Republic where presently no Euro IV vehicles are licensed. In this context, the first and the last principle are closely linked. The message is: in order to maintain within the present system the highest quality, there should be no excess quota.

Ministers did not define the term “efficiency” in the second principle. The focus is obviously on the economic efficiency linked to the level of competition which should be reached through complete liberalisation including bilateral agreements. No progress seems to have been achieved in subsequent negotiations

and ministerial meetings. The threat of unfair competition has not been substantiated in the official documents. There is of course a linkage with the 3rd principle of harmonised and effective controls and sanctions. This subject is not covered by the present study. The general feedback from stakeholders was that while controls and sanctions are not harmonised, the absence of harmonisation is not a major problem.

The term “efficiency” also relates to the original objective of the ECMT quota system to reduce empty trips or empty mileage. The ITF survey results suggest that the share of empty trips has increased with the transition from the six-week limit to the three-trip rule. A scientifically clear comparison of the effective usage of ECMT licences in the different markets would be needed to draw clear conclusions.

To implement the principle of allocation of the quota “on the basis of real needs and efficient use”, ten criteria for a transparent allocation of the quota to individual countries in the future, and consequently the weight for each of the criteria were defined (Table 7) by the ECMT Group on Road Transport (based on lengthy negotiations) and agreed by ECMT Ministers in 2005 and 2006. It was also suggested by the Group to apply these criteria for the coming round of quota allocation, as a first step.

Table 7: Criteria for the calculation of basic quota from 2010

N°	*Description of the criteria*	*Weight*
1	Road freight transport performance (measured in tonne-kilometres) of vehicles registered in the country (3-year average)	2.3
2	Contribution to the ECMT/ITF budget (3-year average)	1.8
3	Gross domestic product (GDP) (3-year average)	1.4
4	Annual growth in GDP (3-year average)	1.4
5a	Population 2006	1.1
5b	Area (km^2) 2006	1.2
6	Use of ECMT licences (in % of licences issued)	2.1
7	Use of TIR carnets (as % of total)	1.8
8	Total trade in goods (3-year average)	2.0
9	Non intra-EEA/CH area trade (values for 2006)	2.0

Source: ITF/TMB/TR(2008)10

This list is composed of indicators available for all ECMT member countries. How these indicators relate to real needs and efficient use remains questionable. The term “real needs” is not defined and – admittedly – not easy if at all possible to define. Since multilateral licences provide the freedom to operate in various markets not related to the country of vehicle registration, the principle of “real needs” is probably inadequate in this context.

The use of TIR carnets may be a suitable proxy, but in absolute terms rather than through a ranking (for data confidentiality reasons this is however not possible).

The term “efficient usage” is more easily defined. It is reflected in the above catalogue by the proportion of used ECMT licences of the total of issued licences. However, a used licence in this terminology is a licence which is issued by the member country’s authorities to a transport operator. How and to which extent this operator makes use of this licence is not part of the criterion. The most suitable indicator would be the effective transport performance (tkm) for which the necessary data are required in the logbook (if it is correctly filled in), combined with a factor to reflect the emission standard of the vehicle (note that a licence is not allocated to a specific vehicle but can be used subsequently for different vehicles of the same category).

The criteria related to the size of the country (area, population, economy) seem to be redundant if adequate data are otherwise available.

Conclusions

- The ECMT multilateral authorisation system plays an important role to overcome weaknesses of the rather rigid system of bilaterally agreed authorisations. It facilitates transport and hence trade.

- With its design, the ECMT scheme is a tool to provide incentives for optimising the quality (environmental and safety standards) of HGVs used; this incentive works best on Eastern countries because of the scarcity of the quota in these countries.

- The ECMT quota system aims at avoiding empty trips. The three-trip rule introduced on a temporary basis in 2006 has obviously a restrictive effect, detrimental to the objective of increasing transport efficiency.

- The market penetration of EU registered HGVs outside the EU and of non-EU-registered vehicles within the EU cannot be precisely established on

the basis of available statistical information. The information available suggests that the balance of transport performance of hauliers from EU member states in non-EU countries outweighs that of non EU-hauliers within the territory of the EU. The impact of EU hauliers in the international road transport markets in non-EU area cannot be determined with certainty although it can be said that the balance is in favour of EU operators, in particular after the 2004 enlargement. On the other side it is obvious that the market share of non-EU hauliers within the EU is very small, less than 1% of intra-EU international transport performance. The quota does not really affect competition in markets and is thus by no means a threat of distorting these international transport markets.

- The objectives of the allocation procedure to member countries are not clearly defined. This is in particular true for the principle of the allocation according to the "real needs". The scheme presently allocates quota to certain countries beyond their needs while others could use more. It discriminates against hauliers from peripheral countries who have a long way to return to the home country – possibly without load - imposed by the three-trip rule. A more practical orientation would be to allocate the quota in a way that maximum use is achieved.

- Two elements seem to be essential for this orientation:

    - actual or prospective international goods transport demand/traffic of the country (for EU member states only the part to and from non-EU countries);

    - actual use of the issued licences in terms of transport performance (tonne-kilometres) per year, to be optimised through a bonus system.

- The extension of the ECMT quota system to other countries could facilitate trade with these countries. Kazakhstan, Uzbekistan, China appears to be of interest not only for CIS and EU candidate countries but even for EU member states. Morocco and Mauritania are of interest to "West coast" countries, in particular Portugal, Spain and France.

Options for the future

The following thoughts which are based on the analysis related in this report and on the above conclusions can only be preliminary and indicative. They are not embedded in a quantitative model of the relevant markets.

- The objectives defined by Ministers of Transport remain valid.

- There is a range of alternative solutions from a full liberalisation of international road haulage within Europe on the one side to a more effective management of the existing quota system on the other side.

- A fully liberalised system would not probably achieve the environmental objective as one can see from the present usage of licences. The present system of basic quota with multipliers and bonuses is an effective means to improve the environmental efficiency of the haulage operations.

- In our judgement, a national quota system is obsolete since “real needs” cannot be established in the multinational environment. A “global” quota system or separate quota for EU/EEA+CH countries and non-EU countries or in a cluster system similar to the one used for the analysis in this report would appear to be more objective driven. An association of the European Commission would be desirable.

- Permits could be allocated in the most efficient way with a market system, i.e. through auction or through some other market based distribution mechanism.

- An efficient monitoring of the use of the permits and of the relevant transport markets is necessary to steer the system smoothly.

- Restrictions of the kind of the three-trip rule are counterproductive with regard to the efficiency objective and should be avoided.

The above considerations are of a strategic nature and not meant as an alternative for the next allocation cycle.

In the short-term and considering the present downturn in trade and subsequently in the transport markets, a redistribution of excess permits seems the most reasonable way to get the quota system out of its present deadlock.

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Annex 1: Eurostat Origin-Destination Matrix 2005

Table A.1.a: Eurostat Data 2005; annual border-crossing transport of goods by road by countries of registration (million tonnes per year)

		EU 15+3 - Unload																		EU New - Unload										
		AT	BE	DE	CH	DK	ES	FI	FR	GR	IE	IT	LI	LU	NL	NO	PT	SE	UK	**Sum**	BG	CZ	EE	HU	LT	LV	MT	PL	RO	SK	SI	**Sum**
EU 15+3 Load	AT	-	0.5	12.2	0.9	0.1	0.2	-	0.8	0.1	-	7.0	0.0	0.0	0.7	0.0	0.0	0.1	0.3	23.0	0.0	1.2	-	1.1	0.0	-	-	0.4	0.1	0.7	1.1	4.6
	BE	0.6	-	18.2	0.4	0.5	1.7	0.0	31.5	0.1	0.0	2.1	-	4.1	21.9	0.1	0.3	0.2	3.2	84.8	-	0.6	-	0.2	0.1	-	-	0.9	0.0	0.1	0.1	1.9
	DE	19.0	19.5	-	7.7	7.0	6.1	0.1	24.2	0.6	0.2	13.4	0.0	3.7	39.5	0.3	0.7	1.4	3.6	147.0	0.0	7.2	0.1	2.3	0.8	0.3	-	9.4	0.1	1.6	0.8	22.8
	CH	0.3	0.2	2.7	-	0.1	0.1	-	1.3	-	-	1.3	-	0.0	0.5	-	-	-	0.1	6.6	-	0.1	-	0.0	0.0	-	-	0.1	-	0.1	-	0.3
	DK	0.1	0.2	5.6	0.1	-	0.2	0.1	0.7	-	-	0.5	-	-	1.0	1.1	-	2.7	0.2	12.4	-	0.1	-	0.0	0.0	0.0	-	0.3	-	-	-	0.5
	ES	0.3	1.0	6.0	0.3	0.2	-	0.0	16.6	0.0	0.1	4.4	-	0.0	1.7	-	11.2	0.2	2.5	44.5	-	0.3	-	0.2	0.0	0.0	-	0.5	0.0	0.1	0.1	1.3
	FI	-	0.0	0.1	-	0.1	0.0	-	0.0	-	-	-	-	-	0.1	0.3	-	2.3	-	3.0	-	-	0.3	0.0	0.0	0.0	-	-	-	-	-	0.4
	FR	0.7	23.1	22.3	2.9	0.7	19.5	-	-	0.2	0.2	12.2	-	2.1	6.5	0.1	1.3	0.2	7.4	99.4	-	0.7	-	0.4	0.1	0.0	-	1.0	0.0	0.2	0.3	2.8
	GR	0.0	-	0.5	-	-	0.0	-	0.1	-	-	0.7	-	-	0.1	-	-	0.1	0.1	1.6	-	0.0	-	0.0	-	-	-	-	-	-	-	0.1
	IE	-	-	0.1	-	-	0.1	-	0.2	-	-	0.1	-	-	0.1	-	-	-	6.0	6.6	-	-	-	-	-	-	-	-	-	-	-	-
	IT	4.4	1.6	13.9	2.6	0.6	4.6	-	12.9	0.9	0.1	-	-	0.1	1.6	0.1	0.6	0.1	2.3	46.2	-	0.7	-	0.9	0.1	0.0	-	1.4	0.2	0.5	1.7	5.6
	LI	0.0	-	0.0	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-
	LU	0.1	1.8	3.0	0.0	0.0	0.1	-	2.5	0.0	-	0.1	-	-	0.5	-	-	-	0.2	8.3	-	-	-	0.0	-	-	-	0.1	-	-	-	0.1
	NL	1.0	24.7	37.9	0.7	1.2	1.9	0.1	9.9	0.1	0.1	2.2	-	0.5	-	0.1	0.3	0.8	3.7	85.2	-	0.7	0.0	0.3	0.1	0.1	-	1.4	0.0	0.1	0.1	2.8
	NO	0.0	0.0	0.2	-	0.7	0.0	0.2	0.1	-	-	0.0	-	-	0.1	-	-	2.1	-	3.5	-	-	-	-	0.0	-	-	0.2	-	-	-	0.2
	PT	-	0.2	0.6	-	-	9.2	-	1.3	-	-	0.6	-	-	0.2	-	-	-	0.3	12.3	-	-	-	-	-	-	-	-	-	-	-	-
	SE	0.1	0.1	1.5	-	3.1	0.1	1.5	0.1	0.1	-	0.1	-	-	0.7	3.4	-	-	-	10.7	-	0.3	0.1	0.1	0.1	0.1	-	0.7	-	-	-	1.4
	UK	0.2	1.9	2.6	0.1	0.1	1.5	-	4.7	0.1	10.9	1.0	-	0.1	2.0	-	0.3	-	-	25.5	-	0.2	-	0.1	0.0	-	-	0.4	-	0.0	0.1	0.9
	Sum	26.9	74.8	127.3	15.8	14.5	45.3	2.1	106.8	2.1	11.6	45.6	0.1	10.6	77.1	5.5	14.6	10.1	29.8	620.6	0.0	12.2	0.5	5.6	1.6	0.6	-	16.8	0.5	3.6	4.2	45.6
EU New - Load	BG	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-
	CZ	2.4	0.4	9.7	0.1	0.2	0.3	-	0.8	-	-	0.8	-	-	0.5	-	-	0.2	0.4	15.8	-	-	-	0.7	0.1	-	-	2.3	0.1	3.2	0.2	6.6
	EE	-	-	0.2	-	-	-	0.3	-	-	-	0.1	-	-	0.1	0.1	-	0.1	-	0.8	-	-	-	-	0.2	0.5	-	-	-	-	-	-	0.8
	HU	1.2	0.1	1.8	0.0	0.0	0.2	0.0	0.3	0.0	-	1.5	-	0.0	0.2	0.0	0.0	0.1	0.2	5.8	0.0	0.6	-	-	0.0	-	-	0.7	0.4	1.5	0.6	3.9
	LT	0.0	0.1	0.6	0.0	0.1	0.1	-	0.2	-	-	0.2	-	-	0.1	0.0	-	0.1	0.1	1.4	-	0.1	0.2	0.0	-	1.0	-	0.6	-	-	-	1.9
	LV	-	0.0	0.3	-	0.0	0.1	-	0.1	-	-	0.2	-	-	0.1	0.1	-	0.1	-	1.0	-	-	0.6	-	0.7	-	-	0.0	-	-	-	1.3
	MT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PL	0.5	0.7	9.1	0.1	0.5	0.3	-	1.2	-	-	1.0	-	0.0	1.0	0.1	-	0.7	0.8	16.1	-	2.5	0.1	1.0	0.9	0.3	-	-	0.3	1.0	0.1	6.3
	RO	0.0	-	0.0	-	-	0.0	-	0.0	-	-	0.1	-	-	-	-	-	-	-	0.2	-	0.1	-	0.2	-	-	-	0.1	-	0.1	0.0	0.5
	SK	0.9	0.2	1.8	0.1	0.1	0.1	-	0.5	-	-	0.8	-	-	0.1	-	-	0.0	0.1	4.6	-	3.1	-	2.2	0.0	-	-	1.6	0.1	-	0.1	7.1
	SI	0.7	0.1	0.8	0.0	0.0	0.1	-	0.3	-	-	1.9	-	-	0.1	-	-	0.0	0.1	4.1	-	0.2	-	0.2	-	-	-	0.1	0.1	0.1	-	0.8
	Sum	5.7	1.6	24.3	0.4	0.9	1.1	0.3	3.4	0.0	-	6.6	-	0.1	2.3	0.2	0.0	1.3	1.6	49.9	0.0	6.6	1.0	4.3	2.0	1.8	-	5.4	1.0	6.0	1.1	29.1

Source: Eurostat (http://epp.eurostat.ec.europa.eu/)

Table A.1.b: Eurostat Data 2005; annual border-crossing transport of goods by road by countries of registration (million tonnes per year)

		potential candidates - Unload								CIS - Unload							
		AL	BA	HR	MK	ME	RS	TR	**Sum**	AM	AZ	MD	GE	BY	RU	UA	**Sum**
EU 15+3 - Load	AT	-	-	0.1	-	-	-	0.0	0.1	-	-	-	-	-	0.0	-	0.0
	BE	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1
	DE	-	-	0.2	-	-	-	0.1	0.2	-	-	-	-	-	0.6	0.1	0.7
	CH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DK	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	0.0
	ES	-	-	0.0	-	-	-	-	0.0	-	-	-	-	-	0.1	-	0.1
	FI	-	-	-	-	-	-	-	-	-	-	-	-	-	0.4	-	0.4
	FR	-	-	0.0	-	-	-	-	0.0	-	-	-	-	-	0.2	-	0.2
	GR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IT	-	-	0.2	-	-	-	-	0.2	-	-	-	-	-	0.1	-	0.1
	LI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	LU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NL	-	-	0.0	-	-	-	0.0	0.0	-	-	-	-	-	0.2	-	0.2
	NO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SE	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	0.0
	UK	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	0.0
	Sum	-	-	0.6	-	-	-	0.1	0.7	-	-	-	-	-	1.7	0.1	1.8
EU New - Load	BG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CZ	-	-	0.1	-	-	-	-	0.1	-	-	-	-	-	0.1	-	0.1
	EE	-	-	-	-	-	-	-	-	-	-	-	-	-	0.4	-	0.4
	HU	-	0.0	0.1	-	-	-	0.0	0.1	-	-	-	-	-	0.0	0.0	0.1
	LT	-	-	-	-	-	-	0.0	0.0	-	-	-	-	0.0	0.7	0.0	0.8
	LV	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.5	-	0.5
	MT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PL	-	-	0.1	-	-	-	0.1	0.2	-	-	-	-	0.2	1.3	0.8	2.2
	RO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SK	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1
	SI	-	0.1	0.6	-	-	-	-	0.7	-	-	-	-	-	0.1	-	0.1
	Sum	-	0.1	0.9	-	-	-	0.1	1.1	-	-	-	-	-	3.2	0.9	4.3

Source: Eurostat (http://epp.eurostat.ec.europa.eu/)

Table A.1.c: *Eurostat Data 2005; annual border-crossing transport of goods by road by countries of registration (million tonnes per year)*

		EU 15+3 - Unload																		EU New - Unload											
		AT	BE	DE	CH	DK	ES	FI	FR	GR	IE	IT	LI	LU	NL	NO	PT	SE	UK	**Sum**	BG	CZ	EE	HU	LT	LV	MT	PL	RO	SK	SI	**Sum**
pot. candi-dates - Load	AL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
	HR	0.0	-	-	-	-	-	-	0.0	-	-	0.3	-	-	-	-	-	-	-	0.4	-	-	-	0.1	-	-	-	-	-	-	0.6	0.6
	MK	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-
	ME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	RS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR	0.0	-	0.1	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	0.1	-	-	-	0.0	-	-	-	0.1	-	-	-	0.1
	Sum	0.0	-	0.1	-	-	-	-	0.0	-	-	0.3	-	-	0.0	-	-	-	-	0.5	-	-	-	0.1	-	-	-	0.1	-	-	0.6	0.7
CIS - Load	AM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AZ	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	MD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-	0.2	-	-	-	0.3
	RU	-	-	0.0	-	-	-	2.2	-	-	-	-	-	-	-	-	-	-	-	2.2	-	-	0.2	0.0	0.2	0.2	-	0.3	-	-	-	0.9
	UA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	0.1	-	-	-	0.2
	Sum	-	-	0.0	-	-	-	2.2	-	-	-	-	-	-	-	-	-	-	-	2.2	-	-	0.2	0.0	0.2	0.2	-	0.6	-	-	-	1.4

Source: Eurostat (http://epp.eurostat.ec.europa.eu/)

Annex 2: TRANS-TOOLS Origin-Destination Matrix 2005

Table A.2.a: Trans-Tools data 2005, total road transport (millon tonnes)

		EU 15+3 - Unload																		EU New - Unload										
		AT	BE	DE	CH	DK	ES	FI	FR	GR	IE	IT	LI	LU	NL	NO	PT	SE	UK	**Sum**	BG	CZ	EE	HU	LT	LV	MT	PL	RO	SK	SI	**Sum**
EU 15+3 Load	AT	-	0.8	12.3	0.5	0.0	0.0	-	0.8	0.0	-	10.6	-	0.1	0.9	-	-	-	-	25.9	0.0	1.9	-	2.1	0.0	-	-	1.3	0.3	0.8	4.5	11.0
	BE	0.7	-	32.7	1.1	0.0	0.7	-	50.1	-	-	5.2	-	7.8	32.2	-	-	-	-	130.6	-	0.7	-	0.0	-	-	-	0.5	0.0	0.1	1.0	2.4
	DE	18.3	36.8	-	6.1	3.3	0.6	-	26.0	0.0	-	19.3	-	5.1	58.6	-	-	-	-	174.1	1.0	10.6	-	2.5	0.1	0.0	-	13.1	0.0	1.5	3.6	32.4
	CH	0.2	0.3	3.3	-	0.0	0.0	-	2.4	-	-	2.8	-	0.0	0.3	-	-	-	-	9.4	0.0	0.1	-	0.0	-	-	-	0.0	0.0	0.0	0.0	0.2
	DK	0.0	0.0	2.2	0.0	-	-	-	0.0	-	-	0.0	-	0.0	0.1	0.0	-	0.1	-	2.5	0.0	0.0	-	0.0	-	-	-	0.0	0.0	0.0	-	0.1
	ES	0.0	0.5	0.4	0.1	-	-	-	9.7	-	-	0.6	-	0.0	0.1	-	9.3	-	-	20.7	-	0.0	-	0.0	-	-	-	0.0	0.0	0.0	0.0	0.1
	FI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	0.1	-	0.2	0.0	-	0.3	-	0.0	0.0	-	-	0.0	-	-	0.3
	FR	0.6	29.3	20.2	4.6	0.0	14.4	-	-	-	-	20.5	-	4.7	8.2	-	0.1	-	-	102.5	0.0	0.6	-	0.0	0.0	-	-	0.1	0.0	0.0	0.4	1.2
	GR	-	-	0.0	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	0.0	3.8	0.0	0.0	0.0	0.0	-	-	0.0	0.3	0.0	0.0	4.0
	IE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8	0.8	-	-	-	-	-	-	-	-	-	-	-	-
	IT	5.0	3.0	14.0	2.3	0.0	1.0	-	20.2	0.0	-	-	-	0.1	1.9	-	-	-	-	47.4	0.0	1.4	0.0	1.2	0.0	0.0	-	0.5	0.3	0.5	3.3	7.3
	LI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	LU	0.1	2.6	2.3	0.0	0.0	0.0	-	2.6	-	-	0.2	-	-	0.6	-	-	-	-	8.5	0.0	0.1	-	0.0	-	-	-	0.1	0.0	0.0	0.1	0.2
	NL	1.4	37.1	54.1	1.1	0.2	0.1	-	9.6	-	-	3.4	-	0.9	-	-	-	-	-	107.9	0.1	0.8	-	0.6	-	-	-	1.0	0.0	0.1	1.2	3.8
	NO	-	-	-	-	0.0	-	0.1	-	-	-	-	-	-	-	-	-	2.3	-	2.4	-	-	-	-	-	-	-	-	-	-	-	-
	PT	-	-	-	-	-	8.8	-	0.0	-	-	-	-	-	-	-	-	-	-	8.8	-	-	-	-	-	-	-	-	-	-	-	-
	SE	-	-	-	-	0.1	-	0.1	-	-	-	-	-	-	-	3.2	-	-	-	3.5	-	-	-	0.0	-	-	-	-	0.0	-	-	0.0
	UK	-	-	-	-	-	-	-	-	-	2.0	-	-	-	-	-	-	-	-	2.0	-	-	-	-	-	-	-	-	-	-	-	-
	Sum	26.3	110.4	141.5	15.9	3.7	25.7	0.2	121.4	0.0	2.0	62.6	-	18.7	102.8	3.3	9.3	2.6	0.8	647.2	4.9	16.3	0.3	6.5	0.1	0.0	-	16.7	1.0	3.0	14.2	63.0
EU New - Load	BG	0.0	0.0	0.2	0.0	0.0	-	0.0	0.0	5.0	-	0.1	-	0.0	0.0	0.0	-	-	-	5.4	-	0.0	0.0	0.1	0.0	0.0	-	0.1	2.2	0.0	0.0	2.5
	CZ	4.8	0.5	13.3	0.1	0.1	0.0	-	0.6	0.0	-	1.6	-	0.0	0.6	-	-	-	-	21.6	0.1	-	-	2.2	0.1	0.0	-	9.8	0.5	6.6	1.5	20.8
	EE	-	-	-	-	-	-	0.5	-	0.0	-	0.0	-	-	-	-	-	-	-	0.5	0.0	0.0	-	0.0	0.3	0.8	-	0.0	-	0.0	0.0	1.1
	HU	3.6	0.0	2.9	0.0	0.0	0.0	-	0.0	0.1	-	2.4	-	0.0	0.4	-	-	-	-	9.6	0.2	0.7	0.0	-	0.1	0.0	-	1.3	2.0	1.5	2.7	8.4
	LT	0.0	-	0.1	-	-	-	0.0	0.0	0.0	-	0.0	-	-	-	-	-	-	-	0.1	0.0	0.1	0.9	0.0	-	2.7	-	1.5	0.0	0.0	0.0	5.2
	LV	-	-	0.0	-	-	-	0.1	-	0.0	-	0.0	-	-	-	-	-	-	-	0.1	0.1	0.0	0.5	0.0	1.0	-	-	0.1	0.0	0.0	0.0	1.7
	MT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PL	2.6	0.5	17.6	0.1	0.0	0.0	-	0.4	0.0	-	0.6	-	0.0	0.7	-	-	-	-	22.6	0.2	9.9	0.0	2.2	0.9	0.3	-	-	1.1	3.1	1.7	19.3
	RO	0.2	0.0	0.0	0.0	0.0	0.0	-	0.0	0.4	-	0.4	-	0.0	0.0	-	-	0.0	-	1.1	2.7	0.1	0.0	2.8	0.0	0.0	-	0.3	-	0.6	0.4	6.9
	SK	2.3	0.1	2.3	0.0	0.0	0.0	-	0.0	0.0	-	0.8	-	0.0	0.1	-	-	-	-	5.7	0.0	7.3	0.0	2.8	0.0	0.0	-	3.5	0.5	-	1.1	15.3
	SI	3.1	0.7	2.2	0.0	-	0.0	-	0.3	0.0	-	3.1	-	0.0	1.3	-	-	-	-	10.6	0.0	1.8	0.0	1.7	0.0	0.0	-	1.5	0.1	1.4	-	6.6
	Sum	16.5	1.8	38.7	0.4	0.1	0.1	0.6	1.4	5.5	-	9.1	-	0.1	3.1	0.0	-	0.0	-	77.3	3.2	19.9	1.4	11.9	2.4	3.8	-	18.1	6.4	13.3	7.4	87.9

Source: TRANS-TOOLS base matrix 2005 (ftp://ftp.jrc.es/pub/users/transtools)

Table A.2.b: Trans-Tools data 2005, total road transport (millon tonnes)

		potential candidates - Unload								CIS - Unload							
		AL	BA	HR	MK	ME	RS	TR	**Sum**	AM	AZ	MD	GE	BY	RU	UA	**Sum**
EU 15+3 - Load	AT	0.0	0.1	0.8	0.0	-	0.2	-	1.1	-	-	0.0	-	-	0.0	0.0	0.0
	BE	-	0.0	0.0	-	-	0.0	-	0.0	-	-	0.0	-	-	-	0.0	0.0
	DE	0.0	0.0	0.3	-	-	0.1	0.0	0.4	-	-	0.0	-	0.0	0.1	0.1	0.1
	CH	-	0.1	0.0	-	-	0.0	-	0.1	-	-	-	-	-	-	-	-
	DK	-	-	0.0	-	-	-	-	0.0	-	-	-	-	-	0.0	0.0	0.0
	ES	-	-	0.0	-	-	0.0	-	0.0	-	-	-	-	-	-	-	-
	FI	-	-	-	-	-	-	0.0	0.0	-	0.0	0.0	-	-	0.6	0.0	0.7
	FR	-	0.0	0.0	-	-	0.0	-	0.0	-	-	0.0	-	0.0	-	0.0	0.0
	GR	2.9	0.0	0.0	0.6	-	0.3	0.9	4.7	-	-	-	-	0.0	0.0	0.0	0.0
	IE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IT	0.0	0.1	2.2	0.0	-	0.4	-	2.7	-	-	0.0	-	0.0	0.0	0.0	0.1
	LI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	LU	-	0.0	0.0	-	-	-	-	0.0	-	-	-	-	-	0.0	0.0	0.0
	NL	-	0.0	0.2	-	-	0.0	-	0.2	-	-	0.0	-	-	-	0.0	0.0
	NO	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	0.0
	PT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SE	-	-	0.0	-	-	0.0	-	0.0	-	-	-	-	-	0.0	0.0	0.0
	UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sum	2.9	0.4	3.6	0.6	-	1.0	0.9	9.3	-	0.0	0.0	-	0.0	0.7	0.2	0.9
EU New - Load	BG	0.8	0.0	0.1	0.8	-	1.2	1.8	4.7	-	-	0.0	-	0.0	0.0	0.0	0.1
	CZ	0.0	0.1	0.4	0.0	-	0.1	0.0	0.6	-	-	0.0	-	0.0	0.3	0.2	0.6
	EE	-	-	0.0	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.5
	HU	0.0	0.6	1.6	0.0	-	0.5	0.1	2.8	-	-	0.0	-	0.0	0.3	0.3	0.7
	LT	-	-	0.0	-	-	0.0	0.1	0.1	-	-	0.0	0.0	1.3	0.8	0.5	2.7
	LV	-	-	0.0	-	-	0.0	-	0.0	-	-	0.0	0.0	0.3	4.1	0.3	4.6
	MT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PL	0.0	0.0	0.2	0.0	-	0.1	0.1	0.5	-	-	0.1	0.0	0.7	2.6	3.1	6.5
	RO	0.3	0.1	0.5	0.2	-	1.4	0.8	3.2	-	-	0.8	-	0.0	0.1	1.8	2.7
	SK	-	0.0	0.2	0.0	-	0.2	0.1	0.5	-	-	0.0	-	0.0	0.2	0.5	0.7
	SI	0.0	0.2	1.9	0.0	-	0.3	0.0	2.4	-	-	0.0	-	0.0	0.0	0.0	0.1
	Sum	1.2	1.0	4.8	1.0	-	3.8	3.1	14.8	0.0	0.0	1.0	0.0	2.4	8.9	6.8	19.1

Source: TRANS-TOOLS base matrix 2005 (ftp://ftp.jrc.es/pub/users/transtools)

Table A.2.c: Trans-Tools data 2005, total road transport (millon tonnes)

		EU 15+3 - Unload																		EU New - Unload										
		AT	BE	DE	CH	DK	ES	FI	FR	GR	IE	IT	LI	LU	NL	NO	PT	SE	UK	**Sum**	BG	CZ	EE	HU	LT	LV	MT	PL	RO	SK	SI	**Sum**
pot. candi-dates - Load	AL	-	-	-	-	-	-	-	-	2.7	-	0.0	-	-	-	-	-	-	-	2.7	0.3	-	-	0.0	-	-	-	0.0	0.2	-	0.0	0.5
	BA	0.0	-	0.0	-	-	-	-	0.0	0.0	-	0.2	-	-	0.0	-	-	-	-	0.3	0.0	0.0	-	0.1	-	-	-	0.0	0.0	0.0	0.2	0.3
	HR	0.4	0.0	0.1	0.0	-	0.0	-	0.0	0.0	-	4.1	-	0.0	0.1	-	-	0.0	-	4.8	0.0	0.1	-	0.9	0.0	0.0	-	0.1	0.2	0.2	2.9	4.4
	MK	0.0	-	0.0	-	-	-	-	-	0.3	-	0.0	-	-	-	-	-	-	-	0.3	0.2	0.0	-	0.0	-	0.0	-	-	0.0	0.0	0.0	0.2
	ME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	RS	0.2	0.0	0.1	0.0	-	0.0	-	0.0	0.2	-	0.9	-	-	0.0	-	-	-	-	1.3	0.1	0.1	0.0	0.2	-	0.0	-	0.0	0.3	0.0	0.2	0.9
	TR	-	-	0.0	-	-	-	0.0	-	0.2	-	-	-	-	-	-	-	-	-	0.2	0.4	0.0	0.0	0.0	0.0	0.0	-	0.1	0.1	0.0	-	0.7
	Sum	0.6	0.0	0.2	0.0	-	0.0	0.0	0.0	3.3	-	5.2	-	0.0	0.1	-	-	0.0	-	9.5	1.1	0.2	0.0	1.2	0.0	0.0	-	0.2	0.8	0.2	3.3	7.1
CIS - Load	AM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AZ	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	-	0.0
	MD	0.0	0.0	0.0	-	-	-	-	-	0.0	-	0.0	-	-	0.0	-	-	-	-	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-	0.1	0.3	0.0	0.0	0.5
	GE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-	-	0.0	-	0.0	-	-	-	0.0
	BY	0.0	-	0.1	0.0	-	-	0.0	0.0	0.0	-	0.0	-	-	-	-	-	-	-	0.1	0.0	0.1	0.4	0.3	7.5	2.0	-	4.3	0.1	0.1	0.0	14.9
	RU	0.0	-	0.0	-	-	-	12.5	0.0	0.0	-	0.0	-	-	-	0.1	-	0.0	-	12.8	0.4	1.9	3.0	8.9	3.1	8.4	-	5.2	2.5	6.1	0.1	39.6
	UA	0.4	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	-	0.3	-	0.0	0.0	-	-	0.0	-	0.9	0.8	2.2	0.2	2.2	1.0	0.4	-	7.7	3.8	2.9	0.5	21.8
	Sum	0.4	0.0	0.3	0.0	0.0	0.0	12.5	0.0	0.0	-	0.4	-	0.0	0.0	0.1	-	0.0	-	13.8	1.2	4.2	3.6	11.4	11.7	10.9	-	17.3	6.7	9.1	0.6	76.8

Source: TRANS-TOOLS base matrix 2005 (ftp://ftp.jrc.es/pub/users/transtools)

Table A.2.d: Trans-Tools data 2005, total road transport (millon tonnes)

		potential candidates - Unload								CIS - Unload							
		AL	BA	HR	MK	ME	RS	TR	**Sum**	AM	AZ	MD	GE	BY	RU	UA	**Sum**
pot. candi-dates - Load	AL	-	0.0	0.0	0.4	-	0.2	0.0	0.7	-	-	-	-	-	-	-	-
	BA	0.0	-	3.2	0.0	-	0.5	0.0	3.7	-	-	-	-	-	-	-	-
	HR	0.1	2.0	-	0.0	-	0.9	0.0	2.9	-	-	0.0	-	-	0.0	0.0	0.0
	MK	0.4	0.0	0.1	-	-	0.7	0.0	1.2	-	-	-	-	0.0	0.0	-	0.0
	ME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	RS	0.2	0.8	0.4	0.4	-	-	0.1	1.9	-	-	0.0	-	0.0	0.0	0.0	0.0
	TR	0.0	0.0	0.0	0.0	-	0.0	-	0.1	0.2	0.4	0.0	0.3	0.0	0.0	0.0	1.0
	Sum	0.7	2.8	3.7	0.9	-	2.3	0.1	10.5	0.2	0.4	0.0	0.3	0.0	0.1	0.0	1.0
CIS - Load	AM	-	-	-	-	-	-	0.0	0.0	-	-	-	0.1	-	0.0	-	0.1
	AZ	-	-	-	-	-	-	0.0	0.0	-	-	-	3.3	-	0.1	-	3.4
	MD	0.0	0.0	0.0	0.0	-	-	0.0	0.0	-	-	-	-	0.3	0.5	1.0	1.8
	GE	-	-	-	-	-	-	0.8	0.8	0.5	5.4	-	-	-	0.2	-	6.1
	BY	-	0.0	0.1	0.0	-	0.0	0.0	0.1	-	-	0.2	-	-	10.4	3.3	13.9
	RU	0.0	0.1	0.3	0.0	-	0.0	0.5	0.9	0.0	2.3	1.1	1.6	20.7	-	46.0	71.7
	UA	0.0	0.0	0.2	0.0	-	0.2	0.1	0.5	-	-	2.9	-	2.8	20.4	-	26.1
	Sum	0.0	0.1	0.6	0.0	-	0.2	1.4	2.4	0.6	7.7	4.2	5.0	23.7	31.7	50.3	123.1

Source: TRANS-TOOLS base matrix 2005 (ftp://ftp.jrc.es/pub/users/transtools)

Annex 3: Interview Guide

Table A.3: Interview guideline

ECMT Multilateral Quota: Interview Guide
In what way is your organisation concerned with permits for international road freight vehicle movements?
Do you consider the ECMT quota system • promotes a high quality transport? • contribute to efficiency and market opening? • strengthens and harmonises controls and sanctions? • is based on real needs and efficient use? If an answer is negative: how to improve the system?
What is the importance of the ECMT quota for the hauliers of your country?
How do you judge the present system from the point of view of traffic safety and environmental sustainability
How do you judge the present system from the point of view of competition and competitive fairness
Are you familiar with the criteria for quota allocation to member countries? Would you suggest changes? Which ones?
Is the quota system enhancing or hindering trade between EU member states and third countries or between third countries?
Is the ECMT quota allocated to your country adequate, insufficient and un-necessarily high? Reasons? What should be done?
Could an extension of the quota system to some other countries facilitate trade flows? Which ones?
Is the ECMT quota system a useful complement to bilateral agreements or are the two systems competing?
How do you see the future of the quota system?

Annex 4: List of organisations consulted

Belarus	Association of International Road Carriers – BAMAP
Bulgaria	Association of the Bulgarian Enterprises for International Road Transport and the Roads - AEBTRI
Czech Republic	CESMAD Bohemia
Denmark	International Transport Denmark - ITD
Estonia	Association of Estonian International Road Carriers - ERAA
France	International Road Transport Association - AFTRI
Georgia	Georgian International Road Carriers Association - GIRCA
Germany	Federal Ministry of Transport, Building and Urban Affairs (BMVBS) Federal Department of Freight Transport - BAG
Latvia	Ministry of Transport
Netherlands	National and International Road Transport Organisation - NIWO
Portugal	Ministry of Transport
Russia	Russian Road Transport Union
Turkey	International Association of Transport - UND
United Kingdom	Department for Transport

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Report on European road freight markets and ECMT multilateral quota perspectives

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