



UNION OF ROAD TRANSPORT ASSOCIATIONS IN THE BLACK SEA ECONOMIC COOPERATION REGION  
(BSEC-URTA)

## MEETING OF MINISTERS OF TRANSPORT OF THE BSEC MEMBER STATES

Yerevan, Armenia – 27 March 2009  
(speech by, Mr. Adrian Abu, Deputy Secretary General,)

Your Excellencies, Distinguished Ladies and Gentlemen,

We would like to thank the Armenian Chairmanship of the BSEC Organization for being invited to participate in this very important ministerial meeting, which aims at highlighting important developments in the transport sector in the region. We are much honoured to address you on behalf of the Union of Road Transport Associations in the Black Sea Economic Cooperation region (BSEC-URTA), which represents the road transport industry from the region.

Road transport is the main engine not only of economic growth, but also for driving peace and prosperity. In fact, road transport is the unique and sole mode of transport, capable not only of interconnecting all the businesses in the Black Sea region, but also of interconnecting, due to its door-to-door services, all the world markets.

The previous speakers have mentioned the barriers for trade and transport. Allow me to mention a very important facilitation tool for our industry, which is the BSEC Memorandum of Understanding on Facilitation of Road Transport, signed by Your Excellencies, Ministers of Transport of BSEC Member States, in Kiev in March 2002 and entered into force on 20 June 2006. Its provisions on gradual liberalization of international road transport of goods, on accession to and implementation of the international conventions and on facilitation of visa procedures for professional drivers are of the utmost importance for our industry. With regret, we have to emphasize that despite meetings, gatherings, its implementation has a very slow speed.

On 11 July 2008, by an official letter, the BSEC Secretary General addressed NEA Transport research and training institute in the Netherlands, with the request to work out a study which will categorise proposals according to the main provisions of the MoU, and present expert recommendations in a professional, neutral manner, in comparison with alternatives and taking into account BSEC countries' concerns.

In mid January 2009 the final document was disseminated to the BSEC Member States and BSEC-URTA Member Associations.



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NEA made a presentation of the Study during the public-private round table meeting organized by the BSEC PERMIS on 10 February 2009. The conclusions of the round table regarding the study were later presented during the 3<sup>rd</sup> Meeting of the Steering Committee for Facilitation of Road Transport and included in its Report. However, the road map to be followed from the report to the implementation is a too long one. Discussed issues such as gradual liberalization of direct and transit road transport by participation in a BSEC Transit Permit System and/or the development of a Regional Quota System could be more quickly addressed if participants are at a level which could allow them to understand the subject matter and to take an appropriate action.

For concrete results, it is highly important that road transport specialists actively participate in the debates and have the power mandate to take appropriate decisions on the spot. Therefore, we kindly appeal Your Excellencies, to assure the participation of specialists from your respectful ministries to the BSEC Steering Committee meetings.

During each international or regional meeting in relation with transport or customs matters, the BSEC-URTA representatives systematically emphasize the importance of acceding to and implementing the UNECE Conventions and International Agreements.

On 20 May 2008, the new Annex 8 (annex on Road Transport) to the International Convention on the Harmonization of Frontier Controls of Goods, 1982 entered into force, creating the legal framework to the Contracting Parties to introduce simplified control procedures and replace actual inspections and physical controls at border crossing points by a simple verification of internationally standardised documentation and certificates.

The BSEC-URTA Resolution on the Need for Urgent Implementation of the New Annex 8 to the International Convention on Harmonization of Frontier Controls of Goods, in the BSEC Region adopted on 4 June 2008 by its 14<sup>th</sup> General Assembly in Moscow, appealed to the UNECE to convene the Administrative Committee of this Convention (AC.3) in the shortest time possible in order to ensure immediate implementation of above mentioned Annex. Also, the Resolution addressed the UNECE with the proposal to organize a Regional Seminar with the participation of all CIS countries and the European Commission, with the aim of implementing the International Vehicle Weight Certificate, under new Annex 8 to the Harmonization Convention, in the region. The Ninth session of the Administrative Committee (AC.3) will be convened in the second part of 2009.

Facilitation of visas for professional drivers is another hot topic dwelt by the UNECE, ITF and SECI, but only the BSEC Organization has concluded a Multilateral Agreement on Visa Facilitation for Professional Drivers, which was opened for signature during the last BSEC Council of Ministers Meeting in Tirana, October 2008. After 6 years of several meetings, facilitation of visas for drivers is still a goal and a



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hope for our industry: only 4 Member States signed the Agreement: Albania, Armenia, Moldova and Turkey.

We also hope that soon, other Member States will have the same approach and understanding that the mentioned agreement, first, is a recognition of the profession of international driver, which is not doing tourism but carrying the international trade between our countries, and second, a proof of the political will for facilitation of visa issuance, having nothing against the national laws and international commitments to which states are parties.

Distinguished Ladies and Gentlemen,

Due to the financial crisis which has turned into an economic crisis, the demand for professional road freight transport services has slowed down dramatically.

Compared to the situation at the end of 2007, recent data for the last quarter of 2008 obtained from the IRU road freight transport associations and government sources point to:

- a decrease in road freight transport activity of up to 50%, depending on the country and/or sector of activity;
- an increase in the number of bankruptcies by up to 110%.

Costs for the road freight transport sector are expected to rise by at least 3-4% in comparison with 2008. Higher user charges are a key driving force behind this rise. Unstable oil prices could exacerbate this situation. Only in EU a 140,000 jobs in road freight transport have already been lost or are at risk and forecasts are not optimistic at all.

Based on this situation, the road transport sector at global level, the IRU and its Members which include BSEC-URTA Member associations call on governments to:

- stop creating new taxes and charges and reassess and reduce the current ones;
- provide business incentives to transport operators to allow them to continue to invest in innovative and clean vehicles;
- use economic stimulus packages to invest in lacking road infrastructure to remove bottlenecks and unnecessary related costs;
- induce financial institutions to provide adequate credit lines so that transport operators can finance their investments and operations;

Thank you