



Road Freight Transport Services Reform

A new tool setting out guiding principles
for practitioners & policy makers

20 February 2017
SSATP Annual Forum, Marrakech

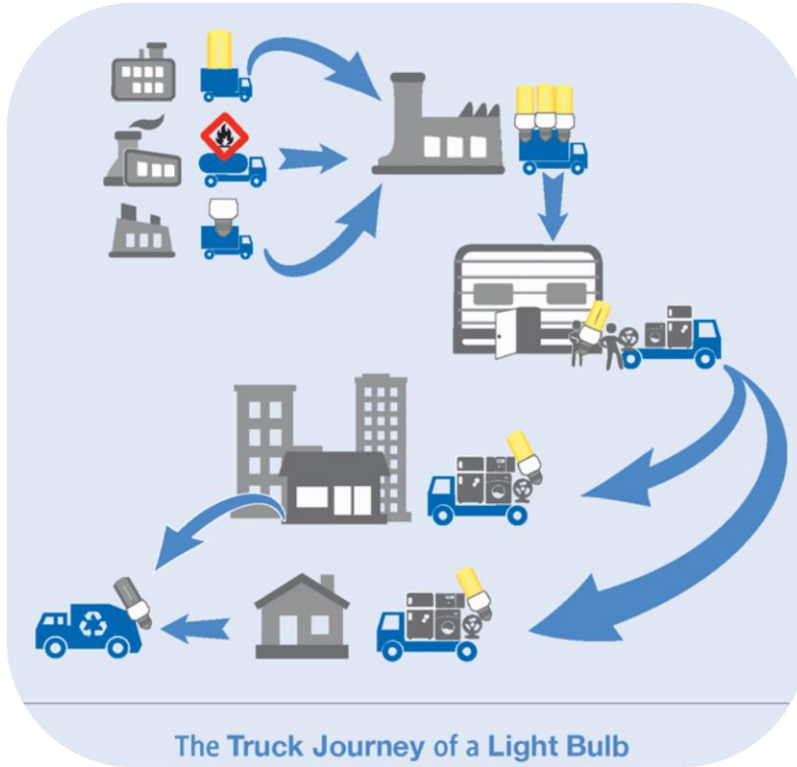
iru.org



Why reform road
transport services?



The importance of road transport



Every single item
that is produced or consumed
everywhere
is transported by
truck.

Road transport % of total employment



Country	Year	Employment Road Freight Transport	Employment Passenger Road Transport	Total Employment for Road Transport Workers	Road Transport Percentage of Total Employment
Argentina	2005	n/a	n/a	476,223	5.00
Australia	2009	162,600	81,300	243,900	2.26
Canada	2011	406,111	168,441	574,552	3.34
Chile	2011	182,019	17,717	199,736	2.67
China	2012	n/a	n/a	2,778,125	0.36
EU 28	2011	3,000,000	1,976,600	4,976,600	2.25
Austria	2011	58,700	54,700	113,400	2.75
Belgium	2011	63,100	12,000	75,100	1.68
Bulgaria	2011	48,000	34,200	82,200	2.34
Czech Republic	2011	117,100	62,700	179,800	3.47
Denmark	2011	29,400	27,400	56,800	2.02
Finland	2011	45,300	23,500	68,800	2.81
France	2011	360,400	248,600	609,000	2.38
Germany	2011	386,800	336,100	722,900	1.79
Greece	2011	53,100	54,000	107,100	2.30
Italy	2011	327,800	171,200	499,000	2.02
Netherlands	2011	119,500	69,600	189,100	2.20
Poland	2011	289,400	144,000	433,400	2.73
Portugal	2011	65,200	35,300	100,500	2.04
Romania	2011	97,300	78,200	175,500	1.94
Spain	2011	337,000	179,300	516,300	2.75
Sweden	2011	79,300	68,000	147,300	3.26
United Kingdom	2011	269,300	239,500	508,800	1.63
India	2008	n/a	n/a	5,753,920	1.54
Mexico	2012	1,333,333	666,667	2,000,000	4.04
South Africa	2005	63,500	363,900	427,400	3.35
US	2014	2,422,300	835,750	3,258,050	2.22

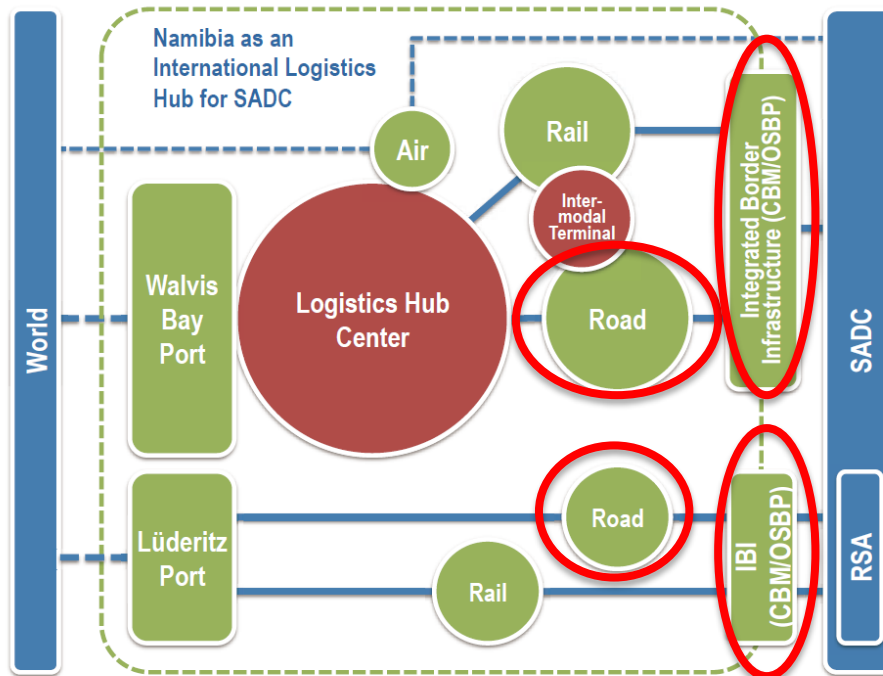
Argentina – 5%

China – 0.36%

EU – 2.25%

Source: International Labour Organization.

Why are transport services so important for Namibia?



Source: Conceptual diagram used as working hypothesis by the Study Team

Source: March 2015 Logistics Hub Master Plan:
http://www.npc.gov.na/?wpfb_dl=224



The impact of regulation on operators

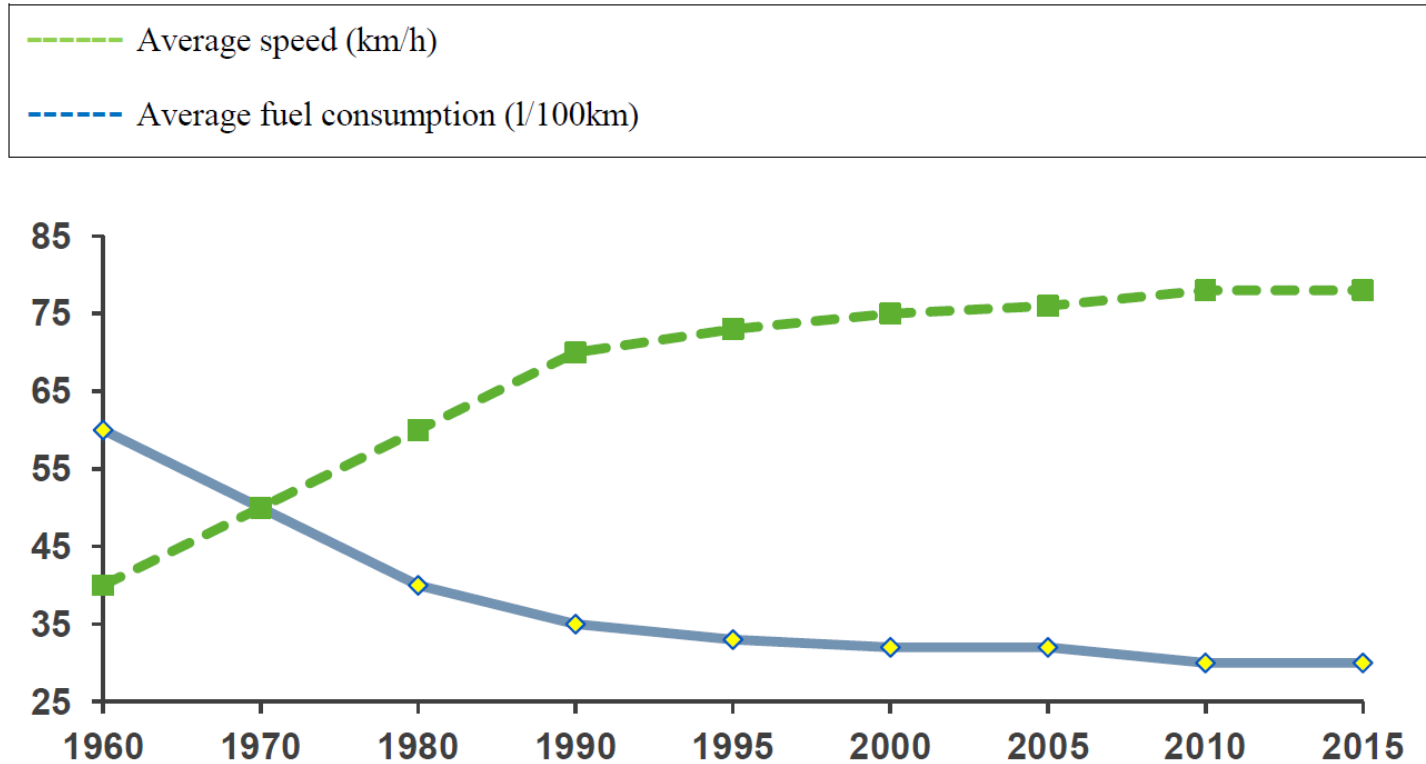


Challenging environment for operators



- Safety regulations
 - Operational and equipment
- Environmental regulations (sustainability)
 - Emissions, fuel standards, efficiency
- Security regulations
 - Operational, facility, information, personnel
- Customers Expecting reliability and resiliency
 - Just-in-time, high-quality, cost-efficient, always available
- Human capital
 - Aging workforce, attracting new employees
- International regulations and standards
 - Lack of harmonization, multiple agency requirements
- Informal Actors
 - Unfair Competition

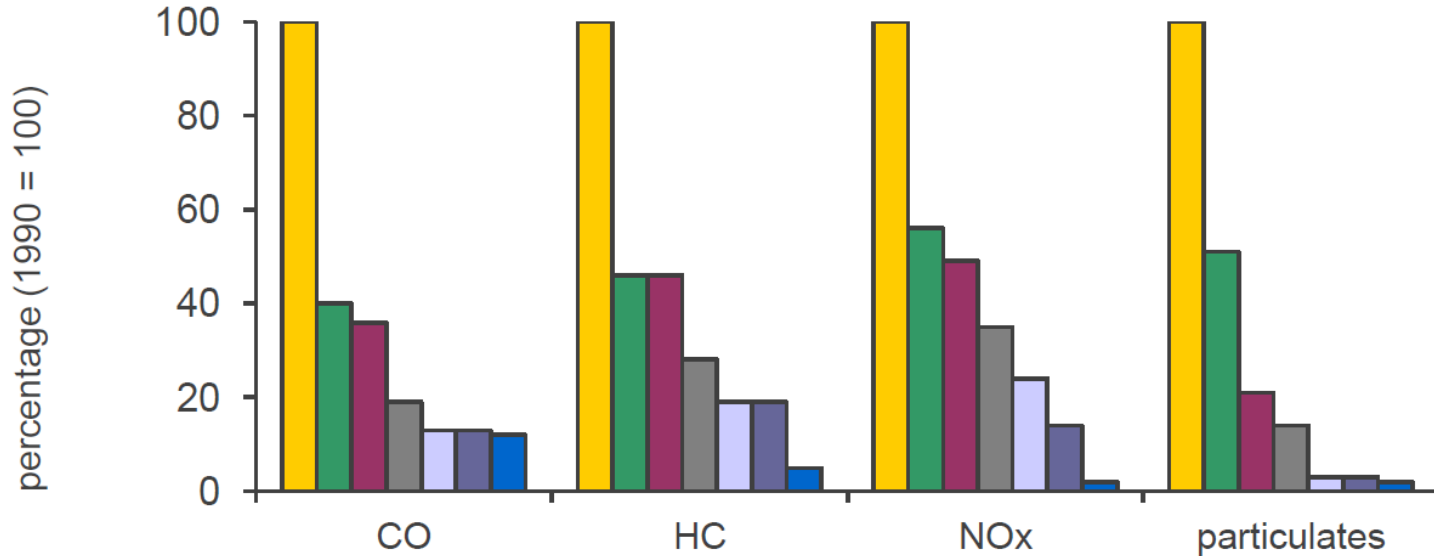
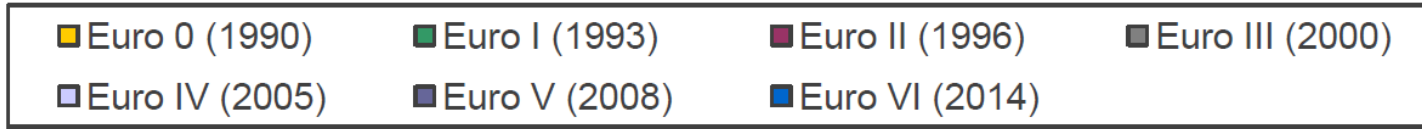
But if we get it right... efficiency gains!




And if we get it right... environmental gains!




Figure 8 Evolution of commercial vehicle emission standards in the EU





How hard is road
transport services
reform?

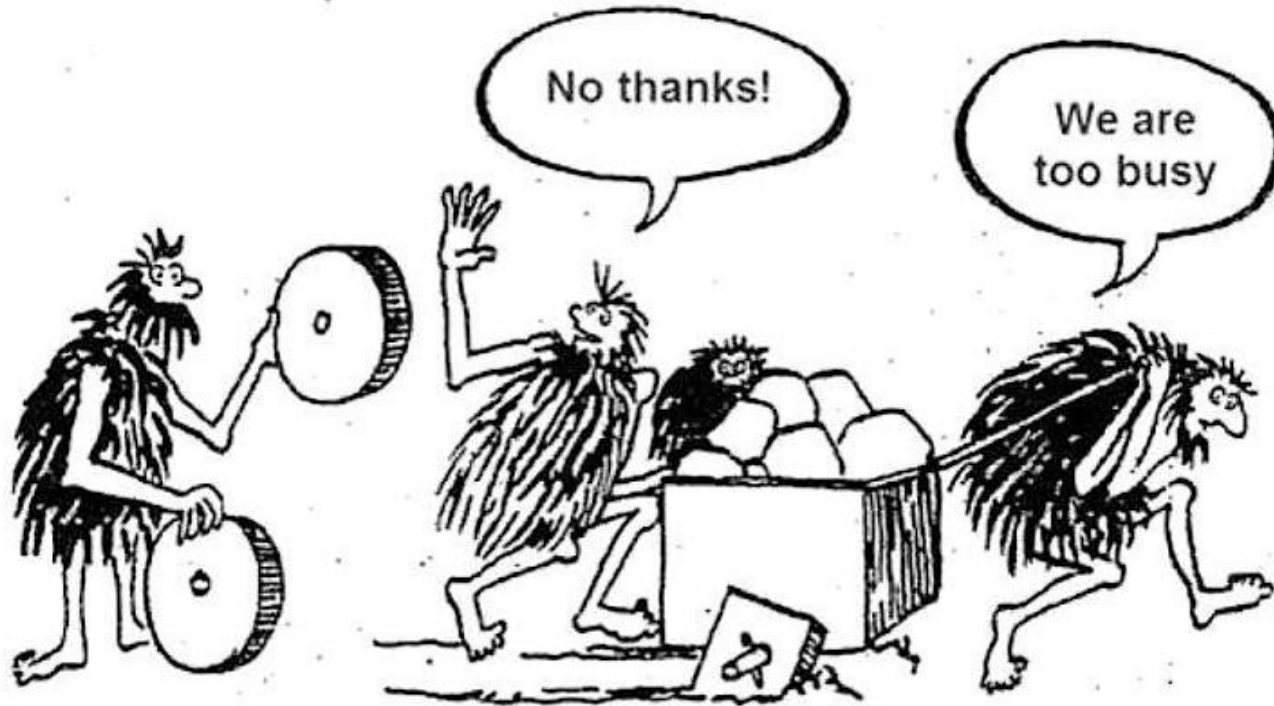


Road transport reform is doable



- Mainly private sector, therefore **cheap** for government!
- But this also means that government cannot simply impose, implement & enforce change
- Consultation** and **partnership** is essential – vital role for **Associations**
- But if properly managed, change can happen quickly, because road transport sector is **dynamic** and **flexible**

Road transport sector is dynamic





Road Freight Transport Services Reform

A new World Bank – IRU tool

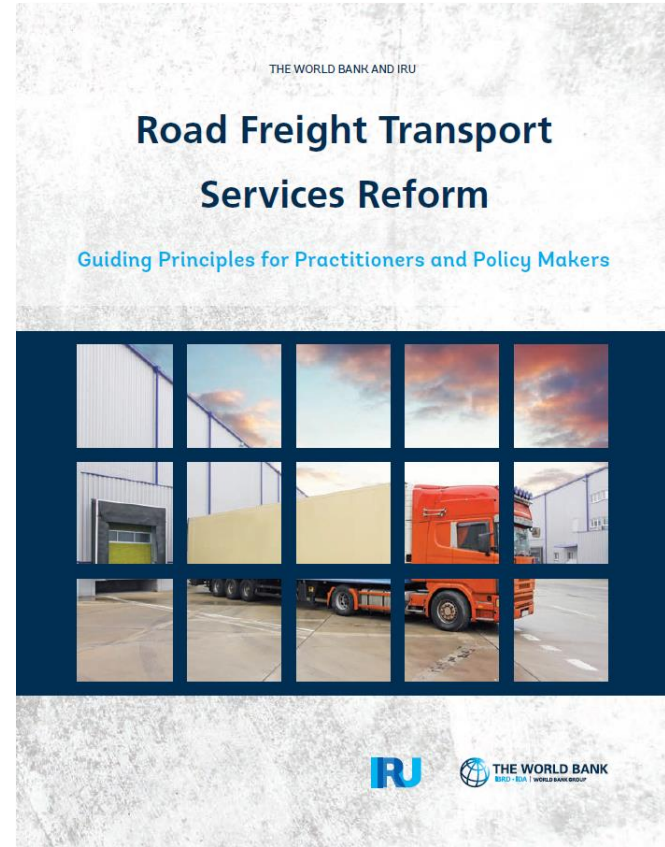


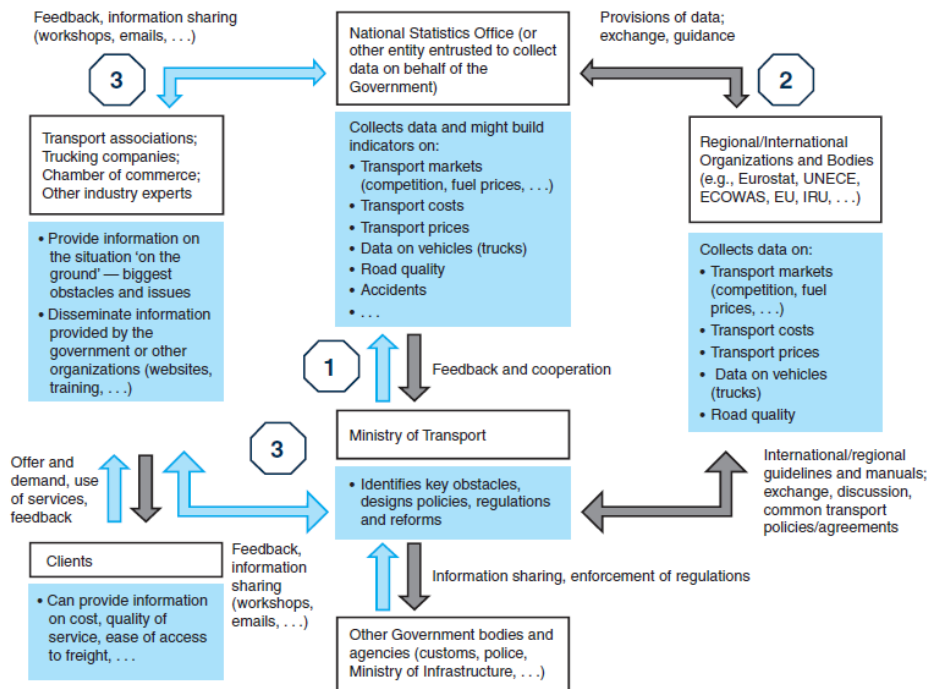
A new tool...



<https://www.iru.org/guide-to-road-freight-transport-reform>

<http://documents.worldbank.org/curated/en/569361484029946699/Road-freight-transport-services-reform-guiding-principles-for-practitioners-and-policy-makers>





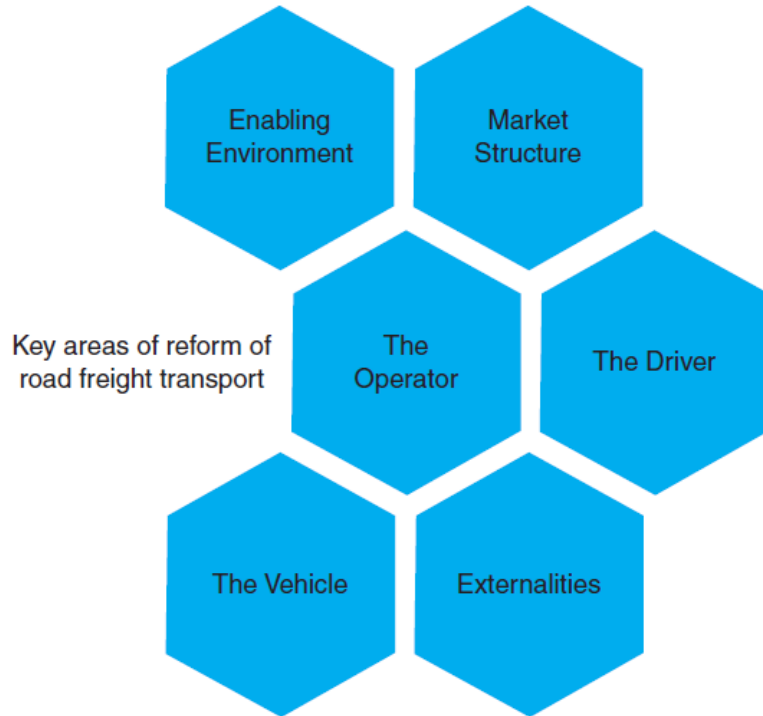
How to approach the diagnostic phase: Chapter 3

Legend:

1	National Legislation on road statistics and national mechanisms to collect transport data on a regular basis; (two examples are provided below in this section: (1) The Dutch System, (2) The French Comité National Routier)
2	Regional/International systematic data collection—National Statistics Office or other Government entity entrusted to collect and disseminate transport data sends national data to a regional/international body; Examples include: (1) The Common Questionnaire (UNECE/Eurostat/ITF), (2) EU Legislation on transport statistics, (3) Eurostat Road Freight Methodology
3	Single approach/ad hoc data collection to analyse a specific issue in more detail or used due to the lack of systematic data collection; Examples in this chapter: (1) Indonesia questionnaire, (2) Sample questionnaires on different core issues

Source: Authors.

Chapter 4 – key areas for reform



Enabling environment

- National, regional, international legal frameworks, and how they are enforced

Market structure

- Access to profession and market – quantitative vs qualitative restrictions

The operator

- Legal status, structure, insurance

The driver

- Professional competence and licensing

The vehicle

- Fleet renewal, used vehicle import restrictions, economic and fiscal instruments and incentives

Externalities

- Internalising external costs (infrastructure, pollution, accidents, congestion)

Not just theory – best practice examples



BOX 2 Dutch Ministerial Decree on Road Transport of Goods

Article 1: The license holder for domestic road transport of goods, the license holder for international road transport of goods and the holder of a permission are obliged to submit a statement to the NIWO every year over one or more periods determined by the NIWO and Statistics Netherlands. This statement has to be submitted within 14 days after the end of a period and has to contain information about:

- (a) the vehicles that have been used
- (b) the amount of loaded and unloaded kilometers
- (c) the location of loading and the location of unloading, in case of international transport the country-code has to be included also
- (d) the distance between the location of loading and the location of unloading
- (e) the weight of the load
- (f) the loading capacity
- (g) the type of transported goods
- (h) the manifestation of the goods
- (i) in case of dangerous goods the UN-classification
- (j) the revenues from transportation

Article 2: The holder of an own account transport permit is obliged to submit a statement to Statistics Netherlands every year over one or more periods to be determined by Statistics Netherlands. This statement is submitted within 14 days of a period and has to include at least the data mentioned in article 1 a–i.

Article 3: The obligations mentioned in Articles 1 and 2 have to comply by submission to the NIWO/Statistics Netherlands for this occasion prepared questionnaires. The submitter declares to have filled it in according to truth and nothing than the truth and has to undersign the questionnaire. It is also possible to use other data carriers that are approved by NIWO/Statistics Netherlands.

Article 4: The licence holder for road transport of goods is obliged to submit data about the market segments in which s/he is active to the Inspector General of Transport within a period determined by the Inspector General of Transport.

Article 5: According to this article, the NIWO is obliged to submit all received data to Statistics Netherlands.

Articles 6 and 7: This article contains administrative provisions (entry into force, publication in Official Journal).

Source: Dutch Ministerial Decree on Road Transport of Goods.

Example of legal basis for collecting road transport statistics

Practical examples, not just theory



BOX 8 European Union—Criteria for Access to the Profession of Road Transport Operator

Professional Competence of the Transport Manager

This important criterion is met through the following conditions:

- possession of knowledge corresponding to the level of training provided by regulation
- compulsory written examination which may be supplemented by an oral examination
- exemption being possible for applicants with at least five years' practical experience, provided such applicants pass a test, as well as for holders of advanced diplomas

Good Repute of the Transport Manager

The good repute is established by proving:

- the absence of conviction for serious criminal offences, including offences of commercial nature
- not to be declared unfit to pursue the occupation
- the absence of conviction for other offences, like pay and employment conditions in the profession, rules of road transport, and in particular drivers' driving and rest periods, weights and dimensions of commercial vehicles, road and vehicle safety, the protection of the environment

Sound Financial Standing

This condition is to be satisfied by the company by demonstrating:

- sufficient resources shall be available to ensure proper launching and proper administration of the undertaking
- for assessment purposes, review of annual accounts, funds available, assets, costs, premises, plants, equipment
- the undertaking must have available capital and reserves of at least €9,000 when only one vehicle is used and at least €5,000 for each additional vehicle

The criteria form the basis for licensing road transport operators and must be met permanently. In case one or more conditions are not met, the company must notify the authority and will benefit from a transitional period to regularize its situation (6 months). Failing to inform, or at the end of the period if the conditions are not satisfied, access to the profession may be suspended until conditions are met again.

The criteria shall be implemented in all EU Member States and may be stricter on a national level. They should however be applied in a nondiscriminatory manner. If they are fulfilled, the operator is entitled to receive a Community license. Such a license gives, without any capacity restrictions, full access to the market. This entails all freight transport between two EU Member States, transit through an EU Member State and transport within a EU Member State, regardless the EU Member State where the vehicle is registered. Own account transport may be exempted from a license.

Repeated or severe infringement to the transport governing rules may lead to a suspension or revocation of the access to the profession.

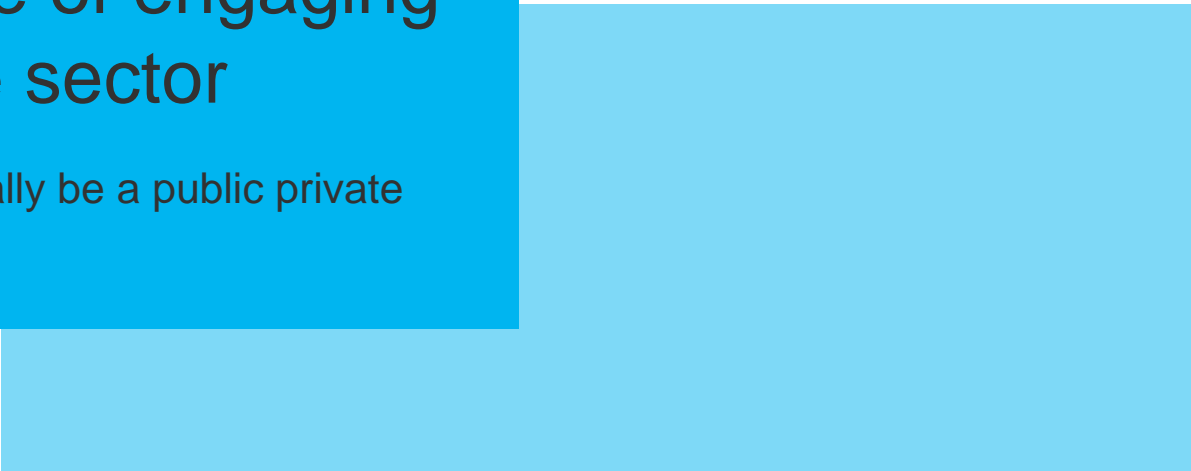
Source: Authors based on EU Regulation 1071/2009/EC.

50+ pages of practical examples in annexes



Importance of engaging the private sector

Reform should really be a public private
partnership



Industry can move quicker than regulatory environment



The “sharing economy”

Digitalisation of transport and cross border documents

Industry can move quicker than regulatory environment



Private sector has the solutions



ECOeffect TRAINING SYSTEM

Eco-Proactive Driving Behaviour - what You Can't Measure, You Can't Manage

RESULTS					
		TRIP 1	TRIP 2	Difference	%
Elapsed Time	mm:ss	39:36	36:04	03:32	8,92%
Average Speed	km/h	34,25	37,53	3,28	9,58%
Total Fuel Consumption	l	11,67	9,21	-2,46	-21,09%
Average Consumption	l/100km	51,6	40,8	-10,8	-20,94%
RESULT ANALYSIS					
Average Position Trottle	%	27%	28%	1%	3,27%
Time vehicle in motion - Zero Throt	mm:ss	08:42	10:24	01:42	19,54%
Time - Use of Breaks	mm:ss	06:12	03:18	02:53	46,65%
Total Distance - Zero Throttle	km	5,37	6,97	1,59	29,59%
Total Distance - Use of Breaks	km	2,60	1,34	-1,26	-48,54%
Number of Brakings	#	54	33	-21	-38,32%
Gear shifts	#	181	123	-58	-32,04%
Gear shifts(upshift)	#	116	72	-44	-37,93%

- 2,315 drivers trained
- Average fuel reduction of more than 5%*
- 7,731 tonnes saved in road transport CO₂ emissions*
- 3.5mn EUR saved in fuel costs*

* 5.14% - The calculation is based on the fuel data reported from 42% of drivers' trained from the following companies: Duvenbeck (RO), HSF Logistics (PL) and Vive Transport (PL), for a period of at least 8 months.



Summary



Road transport reform, in summary...



- What it is not:
 - Not a “One-Size-Fits-All”
 - Not a “turn-key” solution
- What it is:
 - Shared knowledge and experiences - “lets not reinvent the wheel”
 - Encourage Good Governance and Best Practices
- Bottom line:
 - Promotes public and private sector cooperation
 - Underlines the need for compliance and enforcement
 - Recognize and consider impact and role of technology

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