



**EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT
COUNCIL OF MINISTERS**

Council of Ministers

POINTS FOR FORMAL DECISION

BASIC MULTILATERAL QUOTA AS FROM 1 JANUARY 2007

This document was examined under item 5 "Points for formal decision" of the Agenda for the Dublin Council of Ministers.

Ministers endorsed the decision taken on the fine-tuning and distribution of the basic quota.

JT03209822

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DECISION OF THE COUNCIL OF MINISTERS HELD IN DUBLIN

The Council of Ministers formally approved the decision on the fine-tuning and distribution of the basic quota among Member countries, as given in Table 1 for the years 2007 to 2010. This decision had already been endorsed by the Committee of Deputies, at its meeting on 30-31 March last.

DECISION ON THE ALLOCATION OF BASIC QUOTA TO ECMT MEMBER COUNTRIES FROM 2007 TO 2010

Background

At the Moscow Ministerial Council, held in May 2005 Ministers discussed the reform of the ECMT multilateral quota and agreed as follows:

“The Council.....

- Agreed on the basic Principles set out for the reform of the ECMT Multilateral Quota CEMT/CM(2005)4/FINAL, as from 1 January 2006;
- Approved the criteria and methodology (system of calculation for the quota) as set out in document CEMT/CM(2005)4/FINAL, and decided to apply them for the distribution of licences for 2006, ...
- Requested the Committee of Deputies to fine-tune the economic parameters for the calculation of the quota for 2007 to 2010;...”

Following this request the subject was discussed at the meetings of the Committee of Deputies in June and October 2005 and at the Group on Road Transport in Vilnius (September 2005) and Paris (November 2005). Several proposals on fine-tuning were submitted, including proposals from Russia, Germany, as well as France, Moldova, and Latvia. Other Member countries expressed their opinion regarding the reform of the Quota at the Group meetings.

Following lengthy discussions the Group agreed that the redistribution of the basic quota will be based on the following principles:

1. The basic quotas will be revised for all ECMT Member countries on the basis of the ten criteria agreed by the Council of Ministers in Moscow and fine-tuned according to their request. This implies:
 - updated statistical tables, based on the latest and most reliable sources, identified and agreed by the Member countries, and
 - weighting of the ten criteria.
2. The calculations used assume that the total number of licences remains the same as in 2004, i.e. 6 060 basic licences. This implies a reduction of the minimum quota, in order to attain to the extent possible a more balanced distribution of the quota between Member countries, better reflecting their trade needs.
3. Another important factor is that the present distribution system, which is itself far from objective, has granted rights (grandfather rights) which will be difficult and even unwise to try and alter. Each country may therefore keep its "Grandfather rights", i.e. initial basic quota, allocated to the Member country upon joining the Multilateral Quota system, and as stated lastly in 2004.
4. However, *with a view to not increasing the present total number of licences in the quota*, EU15/EEA/CH countries will have their basic quota defined as the smaller of the old basic quota and the new basic quota, determined according to the ten criteria. Those wishing to reduce further their quota defined in this way can do so. If they so decide, they should commit to this for a minimum period of 3 years, after which they could reconsider their position.
5. A further adjustment for large economies will be made, within the limit of 6 060 basic quota, based on the absolute shares of these countries in total ECMT economic and trade activities as defined by the ten criteria.

Moreover, as far as conversion factors and bonuses are concerned, and for which a decision of Ministers was expected to be taken in Dublin, discussions held in 2005 and 2006, both in the Group on Road Transport and in the Committee of Deputies, show a wide divergence of views. Therefore a decision on conversion rates and bonuses has been postponed to a special meeting of the Group on Road Transport, to be held in June 2006.

Decision

At the meeting of the Group on Road Transport held in Paris on 31 January 2006 the Group decided to use a weighted average rather than a simple average of rankings and to apply weighted average of rankings as a basis for distribution of the quota.

A survey among the member countries on the weights to apply on each of the ten criteria, indicated that the Member countries give priority to trade and transport performance criteria, i.e. freight transport by road, trade in goods and trade between ECMT Member countries not covered by community licences as well as the actual use of ECMT licences made by the Member countries. General economic indicators, such as GDP or growth in GDP were regarded in general as less important for the redistribution of the basic quota, as well as country population and country area.

Calculations of the basic quota made for different options show that changes in the weights result in very small differences in the weighted average of rankings for each of the Member countries. Therefore, it was proposed to apply the average of weights suggested by the Member countries under each criteria taking into account all replies received. A final proposal for the redistribution of the basic quota as from 1 January 2007, calculated along the proposals made by the Group, and based on the main principles adopted at the Moscow ministerial Council, was submitted to the Group at its last meeting. This proposal is provided in Table 1.

In line with the wishes of the HLG, the Group on Road Transport was informed of the HLG's desire to delegate decision-making on the multilateral quota to the Group. In conformity with this mandate, the Group came to a quasi-unanimous (2 abstentions) decision on this issue at its last meeting on 7 March 2006. The Group has therefore agreed on the distribution of the basic quota and fine-tuning of the ten criteria, valid for the years 2007 to 2010 as provided in Table 1.

Table 1. Calculation of Basic Quota based on the Weighted Average of Rankings

	<i>Weighted average</i>	<i>Ranks</i>		<i>Old*</i>	<i>Quota</i>	
		<i>Old</i>	<i>New</i>		<i>New</i>	<i>Adjusted**</i>
Russian Federation	5.9	3	1	234	259	299
Germany	8.8	1	1	342	259	286
Turkey	9.5	7	2	141	234	250
Italy	9.6	11	2	67	67	67
France	11.6	2	2	288	234	252
Poland	12.1	5	2	153	234	153
United Kingdom	12.8	6	3	149	208	149
Spain	13.0	6	3	149	208	149
Ukraine	13.6	9	3	141	208	208
Romania***	14.4	7	3	141	208	208
Austria	15.9	12	3	16	16	16
Netherlands	15.9	3	3	234	208	208
Czech Republic	16.6	7	4	141	183	141
Greece	18.0	6	4	149	149	149
Sweden	18.2	5	4	153	183	153
Hungary	18.9	7	4	141	183	141
Belarus	19.1	7	4	141	183	183
Belgium	19.2	4	4	171	183	171
Finland	20.6	6	5	149	157	149
Bulgaria***	20.7	7	5	141	157	157
Switzerland	20.9	8	5	135	157	135
Slovak Republic	21.0	9	5	128	157	128
Croatia***	21.4	9	5	128	157	157
Lithuania	22.3	9	5	128	157	128
Serbia & Montenegro	23.9	10	6	120	132	132
Latvia	24.4	9	6	128	132	128
Ireland	24.5	7	6	141	132	132
Norway	24.7	6	6	149	132	132
Denmark	25.0	7	6	141	132	132
Slovenia	25.6	9	6	128	132	128
Portugal	25.7	7	6	141	132	132
Azerbaijan	26.1	10	7	120	106	120
Estonia	26.5	9	7	128	106	128
Moldova	27.0	9	7	128	106	128
Bosnia Herzegovina	29.2	10	7	120	81	120
Georgia	30.8	10	8	120	81	120
FYR Macedonia	30.8	9	8	128	81	128
Albania	32.5	9	8	128	55	128
Luxemburg	34.6	10	9	120	55	55
Armenia	35.3	10	9	120	55	120
Malta	37.1	10	10	120	30	30
Liechtenstein	39.4	10	10	120	30	30
					6060	6060

* - Basic Quota as at 1 January 2004

** - Adjusted according to five steps described in CEMT/CS/TR(2006)1/REV1 and ADD1, and above

*** - To be adjusted back after joining EU