

**INTERNATIONAL TRANSPORT FORUM
TRANSPORT MANAGEMENT BOARD**

Group on Road Transport

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

UPDATE 2019/2020

This report was prepared by Prognos AG in cooperation with OMR Conseil on request of the ITF. The opinions expressed in this report do not necessarily reflect the official views of the ITF/OECD or the views of the ITF Secretariat.

JT03464186

Report on European Road Freight Transport Markets and ECMT Multilateral Quota Perspectives

Update 2019/2020

Authors

Hans-Paul Kienzler (Prognos AG)
Nils Brüggeshemke (Prognos AG)
Olaf Meyer-Rühle (OMR Conseil)

Client

International Transport Forum (ITF)

Date

March 2020

About Prognos

For nearly 60 years, the institute has given clients from the economic, political and social sectors a safe foundation for decision making - through research, consulting and studies. With our reliable studies, sound reports and competent expert opinions, we at Prognos support clients from the public as well as the private sector in developing future-proof strategies.

Our project teams consist of for example economists, geographers, engineers, mathematicians, sociologists and transportation researchers working closely together. This ensures a constant exchange between our seven fields of consulting: Economy & Labour, Society & State, Location & Region, Technology & Innovation, Energy & Climate Protection, Infrastructure & Transportation and Management Consulting.

CEO

Christian Böllhoff

Legal form

Joint stock company (AG) under Swiss law

President of the Board

Dr. Jan Giller

Founding year

1959

Commercial Register Number

0674.604.613

Working languages

English, German, French

VAT-ID

BE 674604613

Headquarter

Prognos AG

St. Alban-Vorstadt 24
4052 Basel | Switzerland
T +41 61 3273 - 310
F +41 61 3273 - 300
www.prognos.com

Prognos AG

Domshof 21
28195 Bremen | Germany
T +49 421 517046 - 510
F +49 421 517046 - 528

Prognos AG

Heinrich-von-Stephan-Str. 23
79100 Freiburg | Germany
T +49 761 7661164 - 810
F +49 761 7661164 - 820

Further locations

Prognos AG

Goethestr. 85
10623 Berlin | Germany
T +49 30 520059 - 210
F +49 30 520059 - 201

Prognos AG

Werdener Straße 4
40227 Düsseldorf | Germany
T +49 211 91316 - 110
F +49 211 91316 - 141

Prognos AG

Nymphenburger Str. 14
80335 Munich | Germany
T +49 89 9541586 -710
F +49 89 9541586 -719

Prognos AG

Eberhardstr. 12
70173 Stuttgart | Germany
T +49 711 3209 - 610
F +49 711 3209 - 609

Table of contents

1	Introduction	1
2	Trends of the European International Road Freight Market	3
3	Evaluation of the ECMT Multilateral Quota System	4
3.1	ECMT Member Countries	4
3.2	Evolution since 2009: Its Quantitative and Qualitative Characteristics	5
3.3	The ECMT Multilateral Quota System	7
3.3.1	Basic Quota	8
3.3.2	Issue of Licences	10
3.3.3	Usage of Licences	12
3.3.4	Trip Data	15
3.4	Importance of the Quota in European International Freight Market	23
3.5	Environmental Characteristics of the Quota	24
3.6	Analyses between 2009 Report and 2020 Update	28
3.7	Implementation of the Quality Charter	29
3.8	Existing Reservations and Restrictions	30
3.8.1	Territorial Reservations	30
3.8.2	Restrictions	31
4	The Future of European International Road Freight	32
4.1	EU Mobility Packages	32
4.2	Withdrawal of the United Kingdom from the European Union (Brexit)	33
4.3	Policy, Trade and Technology driven Long-Term Developments in Transport and logistics	36
4.4	Potential ECMT- Candidates	38
5	Overall Assessment of the ECMT Multilateral Quota System (SWOT Analysis)	39
6	Options for the Future and the Way Forward	46

List of Figures

Figure 1: Trends of National and International Haulage in EU 28 (bn tkm)	3
Figure 2: ECMT Member Countries	5
Figure 3: Basic quota (2007, 2010, 2015, 2019, 2020)	9
Figure 4: Issued annualised licences by Euro-Class by each Member Country, 2018	11
Figure 5: Issued annualised licences by Euro-Class by Member Country, 2020	13
Figure 6: Use of annualised licences 2015-2018	14
Figure 7: Yearly trips per evaluated annualised licences 2015-2018	16
Figure 8: Share of trips outside country of registration 2015-2018	17
Figure 9: Trips intra EU, inter EU-non-EU, intra non-EU 2018	18
Figure 10: Share of loaded trips 2015-2018	21
Figure 11: Share of loaded trips 2005 and 2010	22

List of Tables

Table 1: International goods transport by road of vehicles registered in EU 28/CH/NO (2018)	6
Table 2: International goods transport by road of vehicles registered in EU 27/CH/LI/NO (2005)	6
Table 3: Basic quota 2007-2020	8
Table 4: Number of trips 2018	19
Table 5: Calculation of market shares of non-EU vehicles operating with ECMT licences in the EU	23
Table 6: Calculation of market shares of EU vehicles operating with ECMT licences outside the EU	24
Table 7: Comparison of ECMT Member Countries fleet 2013, 2018, 2020	25
Table 8: Share of Euro Classes within the cluster	26
Table 9: Road freight transport by age of vehicle (EU-28, in million tkm)	26
Table 10: Share of EU- and ECMT fleet	27
Table 11: SWOT table based on quantitative analysis and interviews	40

Executive Summary

This report is an update of the “Report on European Road Freight Markets and ECMT Multilateral Quota Perspectives” prepared by ProgTrans in 2009 for the International Transport Forum. Data availability from ITF Quota statistics and logbooks is much better today while statistics on the international transport markets in the ECMT area are still scarce and incomplete.

The ECMT international road freight transport market is growing again. The market has recovered from the 2008 financial and economic crises, with a sustained growth since 2014. Our best estimate for 2018 of international road freight transport performance in the ECMT area is 706 billion (bn) tonne-kilometres (tkm) of which 48 bn on the territory of non-EU ECMT Members (compared to 631bn and 43 bn tkm respectively in 2007).

The importance of the transport performance with ECMT licences is declining, presumably because of frozen quota. Rough estimates indicate that the market share in 2018 was 27 bn tkm or 3.8% in total ECMT area road freight transport performance (the estimate for 2007 was 5%), EU registered heavy goods vehicles (HGVs) had an estimated share in the non-EU market of 2.3% in 2018 (0.9% in 2007) whereas the share of non-EU registered HGVs in intra-EU trips (loading and unloading on EU territory) was 0.42% only (0.33% in 2007).

The shift of transport performance within the EU from West to East is the result of competitive advantages of hauliers in the new Member States (MS).

While the **total Quota has remained constant (6090)** between 2007 and 2018, a **redistribution** took place between 2012-2015 shifting basic quota from EU 15+3 countries to the other clusters. Turkey, Poland and Ukraine were the big beneficiaries. However, because of self-imposed reservations by Russia (reducing the RU quota from 300 to 16) the total of quotas in this cluster remained almost unchanged. The UK and Ireland have recovered in 2018 their original quota because of Brexit threats.

Licences requested by Member countries correspond to the quotas allocated to individual countries. However, EU 15+3 countries use only 25% of their allocated licences, new EU MS 58%, the present and potential candidates 86% and the CIS countries 77%. **Thus, a considerable part of attributed licences remains unused.**

The number of trips per annual licence has decreased on average over all clusters, in particular for EU 15+3 and candidate country hauliers, and only slightly increased for CIS countries.

Slight changes in the shares of loaded or empty trips are detected but except for the EU 15+3 countries where the share of empty trips has increased from 20% in 2005 to 35% in 2018, the changes were modest or marginal and not always in the same sense.

The implementation of the Quality Charter in ECMT countries took four years which is a great achievement. Countries having implemented the Charter are now expecting that all Member countries live up to their original commitment that existing reservations and restrictions will be lifted and that quota/licences be increased.

Legislative procedures (Mobility Packages) are underway in the EU to better regulate intra-EU competition in international road freight haulage. **New EU regulations/ restrictions will also apply to Third Country hauliers** as EU statutes prohibit preferential treatment for foreigners.

The United Kingdom has formally withdrawn from the EU (Brexit) with a transition period until December 2020. The menace of a Brexit without agreement has been avoided but is replaced by the fears that the 11-month transition period may not be sufficient to hammer out a comprehensive trade and transport agreement between UK and EU. ECMT licences would be the backbone for international road freight transport.

The report also highlights future **policy measures** including the European Green Deal as well as **trends in international trade and transport technologies** with relevance for the future of the road haulage market.

The 2009 **SWOT (strengths – weaknesses – opportunities – threats) analysis has been updated** taking into account a written stakeholder survey as well as interviews at the ITF Secretariat, the European Commission, the International Road Transport Union (IRU) and the UK Freight Transport Association (FTA), leading to the following main conclusions:

There is **general agreement** on:

- the positive impact of the quota system to handle international trade;
- the positive impact on environmental sustainability and road safety;

- the positive impact of the Quality Charter that all but one non-EU members have fully implemented on the harmonisation of national legislation with EU rules;
- 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;
- a better use of digitised information flows to better monitor the compliance with the rules (Guide and Quality Charter);
- importance of future technologies for alternative propulsion systems and autonomy of driving HGVs;
- the effectiveness of harmonisation of controls and sanctions;
- importance of the quota system in the case of a Brexit without an agreed transport deal after the transition period.

Nevertheless, **respondents are split on:**

- the objective of full liberalisation of the usage of ECMT licences;
- whether or not the share of empty trips or better the share of empty vehicle mileage is increased after the change to the three-trip rule;
- whether or not to phase out Euro IV vehicles;
- fairness of competition;
- increasing the quota;
- the advantages of extending the quota system to countries adjacent to the present ECMT 43 area.

Our main conclusion: **Given the present lack of dynamism or deadlock in adjusting and further developing the quota system, a rethinking of the system would be appropriate.**

The following **options for the future** represent in our view approaches to be considered as short and medium term measures:

- Return to the initial philosophy of the early days of the ECMT Quota system with priority given to the progressive liberalisation of road transport along with the harmonisation of terms of competition;
- Lifting of territorial reservations and adjusting quota in line with trade volume fluctuations (needs);
- Phasing out of national quota to be replaced by quota for each cluster of countries or by a universal flexible (trade volume based) quota with agreed objectives and objectively verifiable criteria or in conjunction with a market driven mechanism for the distribution of licences;
- Replacing the unanimity vote by a qualified majority or double majority vote in order to avoid deadlocks.

The report finally makes **suggestions for the longer-term way forward** in the form of in-depth study work, taking up remarks by the ITF Secretary General:

1. Political agreement on the principles;
2. Definition of scenarios as a foresight exercise;
3. Designing the framework for an appropriate impact analysis;
4. Establishing a sound trade and transport database;
5. Study for the evaluation of scenario alternatives;
6. (Political) Decision process and implementation.

1 Introduction

Since 1974, the European Conference of Ministers of Transport (ECMT) has operated a quota system (referred to as ECMT Multilateral Quota or Multilateral Quota) which grants multilateral authorisations (ECMT licences) for the operation of heavy goods vehicles between the Member States of the ECMT area. These licences enable road hauliers to carry out an unlimited number of multilateral freight operations in 43 European Member Countries who participate in the system. The ECMT Quota is managed by the ITF's Road Transport Group (RTG), which assigns quota to the 43 Member Countries of the system and publishes a user guide setting operational rules of the system. The basic quota is determined every year by ECMT. The system is monitored and administered by the Secretariat of the International Transport Forum (ITF).

From the outset, the introduction of quotas was aimed at achieving gradual liberalisation of road freight transport throughout Europe and a harmonisation of the competitive conditions faced by road hauliers.

By introducing standards on exhaust emissions, the quota system also promotes the use of more environmentally friendly vehicles for road freight transport. Stricter emission standards and safety requirements for vehicles ensure gradually cleaner and safer vehicles in the system.

In May 2015, ministers approved a quality charter for road freight transport operations under the ECMT quota system, which sets qualification standards for companies, managers and drivers. The Quality Charter entered into force on 1 January 2016.

ECMT now has 43 Member States: after the withdrawal from the European Union (EU) of the United Kingdom on 31 January 2020, 26 ECMT Members are members of the EU (Cyprus is member of the EU but not an ECMT Member); the non-EU-Members are the Western European countries Liechtenstein, Norway, Switzerland and United Kingdom; South-East-European Countries Albania, Bosnia-Herzegovina, Montenegro, North Macedonia, Serbia and Turkey; in addition (the former Soviet Union republics¹) Armenia, Azerbaijan, Georgia, Moldova, Belarus, Ukraine and the Russian Federation.

The purpose of this report is to update the 2009 study "REPORT ON EUROPEAN ROAD FREIGHT TRANSPORT MARKETS AND ECMT MULTILATERAL QUOTA PERSPECTIVES" by ProgTrans AG² (ITF/TMB/TR(2009)4/FINAL).

This update of the 2009 report is undertaken in the context of the current discussions in the ITF and its Group on Road Transport (RTG) on strategic issues of Multilateral Quota development. The aim is to issue recommendations for the next steps of this development to be and reported to Ministers for their consultation in Leipzig in May 2020.

On 6 February 2020, the Consultants had the opportunity to present their draft report to the meeting of the Extended Sub-Group on the Qualitative Development of the ECMT Quota. Comments and suggestions by Sub-Group members during the meeting and in writing thereafter are reflected in the final version of this report. Notwithstanding, certain suggestions did not match with the original

¹ Referred as CIS countries in the tables and figures, for convenience

² As of 2014, ProgTrans AG has become the Mobility & Transport Department of Prognos AG

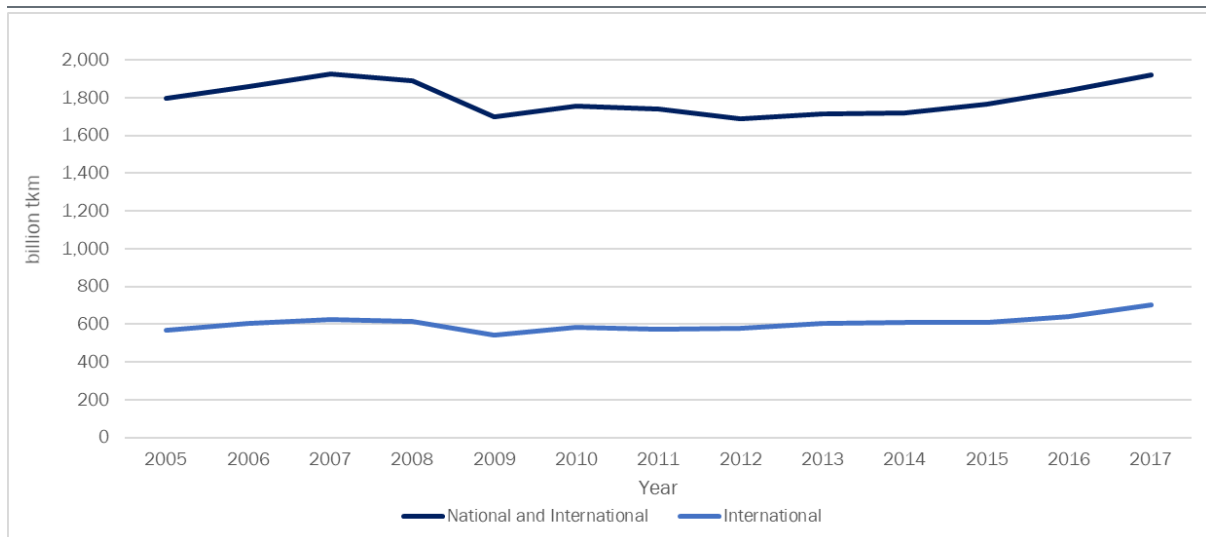
terms of reference, e.g. scenario development, and could hence not be followed up under the present mandate. The representative of Turkey has commented that the report was “too EU centric”. It is a fact that EU market represents some 90% of the total ECMT international road freight transport market in terms of territorial transport performance, even after the UK withdrawal from the EU. Any modifications of EU regulations affect directly hauliers from non-EU Countries as they have to comply with EU regulations when operating on EU territory as EU statutes prohibit more favourable treatment for non-EU individuals and companies than granted to EU citizens and enterprises. Our recommendations are meant to alert all concerned ECMT stakeholders of changes in the future that may affect operations under the Quota system.

2 Trends of the European International Road Freight Market

According to Eurostat statistics³, the national and international road freight transport performance of the EU-28 Countries in 2017 was 1,921 billion tonne-kilometres. For comparison: in 2005, the figure was 1,795 billion tonne-kilometres. This is an increase of 7%. The annual growth rate is almost 0.6%. The performance in the international road freight transport market was 569 billion tonne-kilometres in 2005 and 702 billion tonne-kilometres in 2017. This is an increase of about 23.4% between 2005 and 2017. The annual growth rate was close to 1.8%. The time series from 2005 to 2017 are shown graphically in Figure 1.

Figure 1: Trends of National and International Haulage in EU 28 (bn tkm)

Source: Eurostat



³ Statistical Pocketbook 2019 (provides data until 2017)

3 Evaluation of the ECMT Multilateral Quota System

3.1 ECMT Member Countries

The ECMT area consists of 43 European Countries (see Figure 2). These countries are divided into the following clusters which nearly correspond to those of the 2009 study:

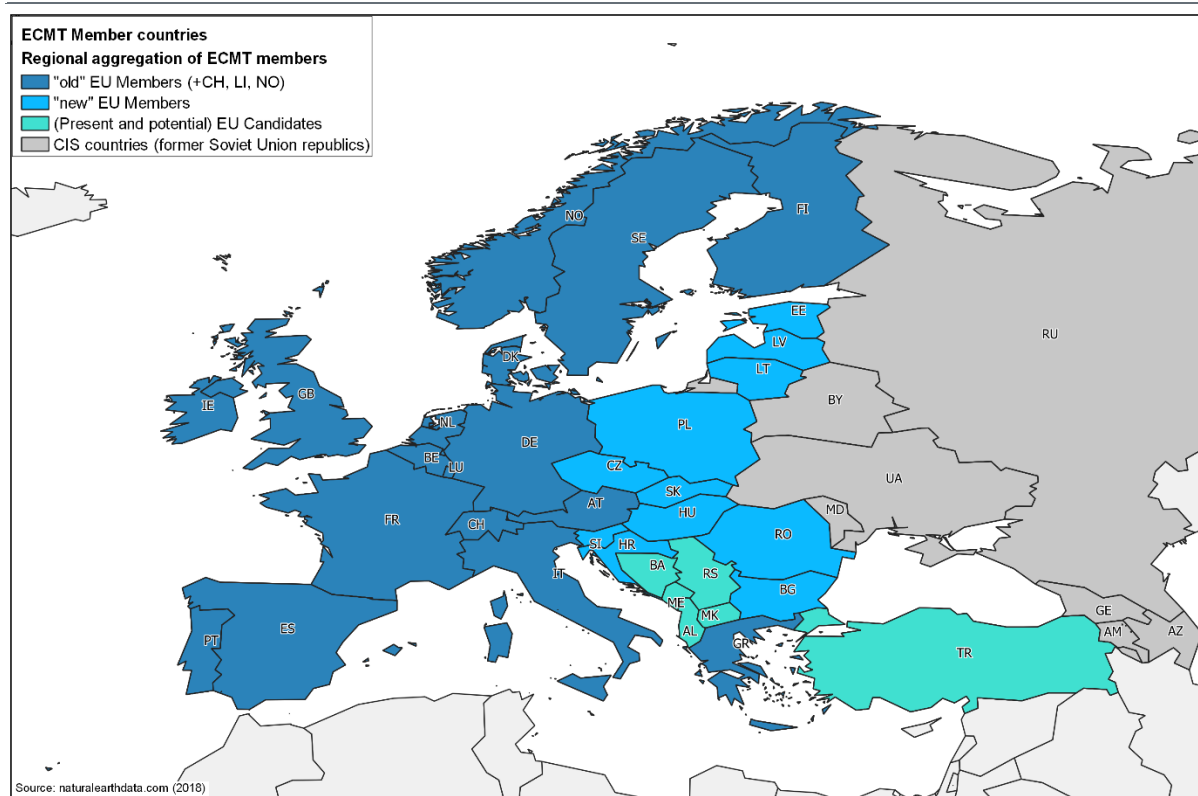
- "old" EU Members + Switzerland, Liechtenstein, Norway
- "new" EU Members (accession from 2004 onwards)
- (Present and potential) EU Candidates
- CIS Countries (former Soviet Union republics)

Croatia has obtained full EU membership in 2013 and is therefore shifted from the Candidate statute in the 2009 analysis to the New EU Members' cluster in the present analysis.

The Republic of North Macedonia, Montenegro, Serbia and Turkey are present EU Candidate Countries. Albania and Bosnia & Herzegovina were considered as potential candidates.

For a more detailed overview of the countries in each cluster, see the list in Annex 1.

Figure 2: ECMT Member Countries



The data situation for this study can be described as limited and not completely satisfactory. For example, there are no country-to-country matrices that directly show road freight traffic between the ECMT Countries in tonnes. Therefore, different data bases must be compiled and harmonised for the preparation of such an origin-destination (O/D) matrix. We largely rely on EUROSTAT data combined with data from The European Commission’s ETISPLUS data base 2010 extrapolated to 2018 for the purpose of this study by the KIT in Karlsruhe (Karlsruher Institute of Technology) who had participated in the development of ETIS and ETISPLUS⁴. However, even after having carried out a huge data collection work, for a couple of O/D-pairs no data were available (e.g. for some of the CIS Countries and the potential EU Member States there was no possibility to fill the matrix). Therefore, an attempt has been made to create a matrix that is as comprehensive as possible for all 43 countries examined here by including additional data provided by the ITF. In our opinion, the data are therefore reliable for a large part of the study. For parts of the study, however, they are not. At these points, therefore, no comparison with the old survey or statements on current trends can be made (see Annex).

3.2 Evolution since 2009: Its Quantitative and Qualitative Characteristics

According to Eurostat and ETISPLUS data, the road freight transport performance between the ECMT Countries amounted to 1,011 million tonnes in 2018 (see Table 1). In comparison, this figure was 758 million tonnes in 2005 (see Table 2). Most of the figures in Table 1 are taken from Eurostat’s 2018 statistics. The data in Table 2 for the year 2005 are taken from the 2009 report and

⁴ KIT (Karlsruher Institut für Technologie), Germany: ETISPLUS (European Transport policy Information System- Development and implementation of data collection methodology for EU transport modelling). Data calculated and aggregated by KIT, Germany

are also based on Eurostat data. Both statistics only apply to EU registered vehicles (Table 1 includes Switzerland and Norway) operating within the ECMT area.

Table 1: International goods transport by road of vehicles registered in EU 28/CH/NO (2018)⁵

Source: Eurostat, ETISPLUS

in million tonnes

		destination				
		"old" EU Members + CH, NO	"new" EU Members	(Potential) EU Candidates	CIS Countries	Total
origin	"old" EU Members + CH, NO	653.08	217.65	0.40	1.32	872.46
	"new" EU Members	25.92	95.57	0.20	0.20	121.89
	(Potential) EU Candidates	1.02	5.60	0.04	0.78	6.70
	CIS Countries	0.86	7.80	0.07	0.54	9.70
	Total	680.88	326.81	0.71	2.37	1,010.76

Table 2: International goods transport by road of vehicles registered in EU 27/CH/LI/NO (2005)

Source: ProgTrans AG (Eurostat)

in million tonnes

		destination				
		"old" EU Members + CH, LI, NO	"new" EU Members	(Potential) EU Candidates	CIS Countries	Total
origin	"old" EU Members + CH, LI, NO	620.6	45.6	0.7	1.8	668.7
	"new" EU Members	49.9	29.1	1.1	4.3	84.4
	(Potential) EU Candidates	0.5	0.7	0.0	0.0	1.2
	CIS Countries	2.2	1.4	0.0	0.0	3.6
	Total	673.2	76.8	1.8	6.1	757.9

When comparing the two tables, it is striking that the total volume of international road freight transport has increased between 2005 and 2018 (about 33%). In comparison with the data on total international and national road freight transport mentioned at the beginning, where the increase was about 7%, it can therefore be said that international road freight transport (transport by vehicles registered in EU 28 (+CH, N) in particular has increased, and here especially the group of "new" EU Members has experienced a high increase. In particular, the freight volumes received in the "new" EU Members have increased from about 77 to over 300 million tonnes. There have also been considerable increases in the volumes shipped from (potential) EU Candidates and CIS

⁵ LI is not included in 2018

Countries. Comparing the calculated 33% increase in international road freight transport (transport by vehicles registered in EU 28/CH/NO, with the 23% increase in total international road freight transport mentioned at the beginning, this increase can be confirmed.

For a comparison of the total amount of transported goods within the ECMT area, there are some problems because of the unsatisfactory data situation. This is mainly due to the fact that there are no reliable data available that are comparable with those from 2005 (2009 report). Therefore, a reliable comparison between these years is unfortunately not possible. However, since the international transport by EU-registered vehicles described above has increased by 33%, it can be assumed that rates will at least increase here as well. However, no statement can be made about the distribution between the clusters.

3.3 The ECMT Multilateral Quota System

The data for the analysis of the ECMT quota system is provided by the ITF secretariat. This includes data on both distributed licences and licence usage. More precisely, the data are detailed in the number of trips with a licence, the share of empty trips or the origin/destination of the individual trips.

In addition, the ITF data also includes samples from logbooks requested by the ITF from the respective ECMT Member States. This includes the detailed lists of the use of the individual licences. In detail this means, for example, departure point and time as well as destination and arrival time, as well as the loading in tonnes and the mileage. Thus, the usage of the licences can be calculated quite accurately.

The data is relating to the quotas prepared for the years 2009-2018. This includes data on the basic quota for each member country and the licences requested taking into account of multipliers for the vehicle emission classes (Euro standards). Furthermore, it contains information on the retrieval and use of the licences per country, including information on the individual trips. These data serve as a basis for the following analysis and evaluation of the quota system.

3.3.1 Basic Quota

Each Member State is attributed a certain basic quota. The basic quotas for each cluster for 2007, 2010, 2015 and 2018-2020 is shown in Table 3. The basic quotas for each Member State for 2007, 2010, 2015, 2019 and 2020 are shown in Figure 3.

Table 3: Basic quota 2007-2020

Source: Data provided by ITF

	2007	2010	2015	2018 ⁶	2019 (29 th March) ⁷	2020
"old" EU Members + CH, LI, NO	2,497	2,497	1,788	1,758	1,906	1,906
"new" EU Members	1,470	1,470	1,950	1,950	1,961	1,961
(Potential) EU Candidates	945	945	1,212	1,212	1,223	1,223
CIS Countries	1,178	1,178	1,140	1,140	1,148	1,148
Total	<u>6,090</u>	<u>6,090</u>	<u>6,090</u>	<u>6,060</u>	<u>6,238⁸</u>	<u>6,238</u>

⁶ 30 licences remained undistributed due to unilateral restriction introduced by Greece

⁷ Brexit quota was allocated to UK and IRL on 29 March

⁸ 6 090 on 1 January 2019

Figure 3: Basic quota (2007, 2010, 2015, 2019, 2020)

Source: Data provided by ITF

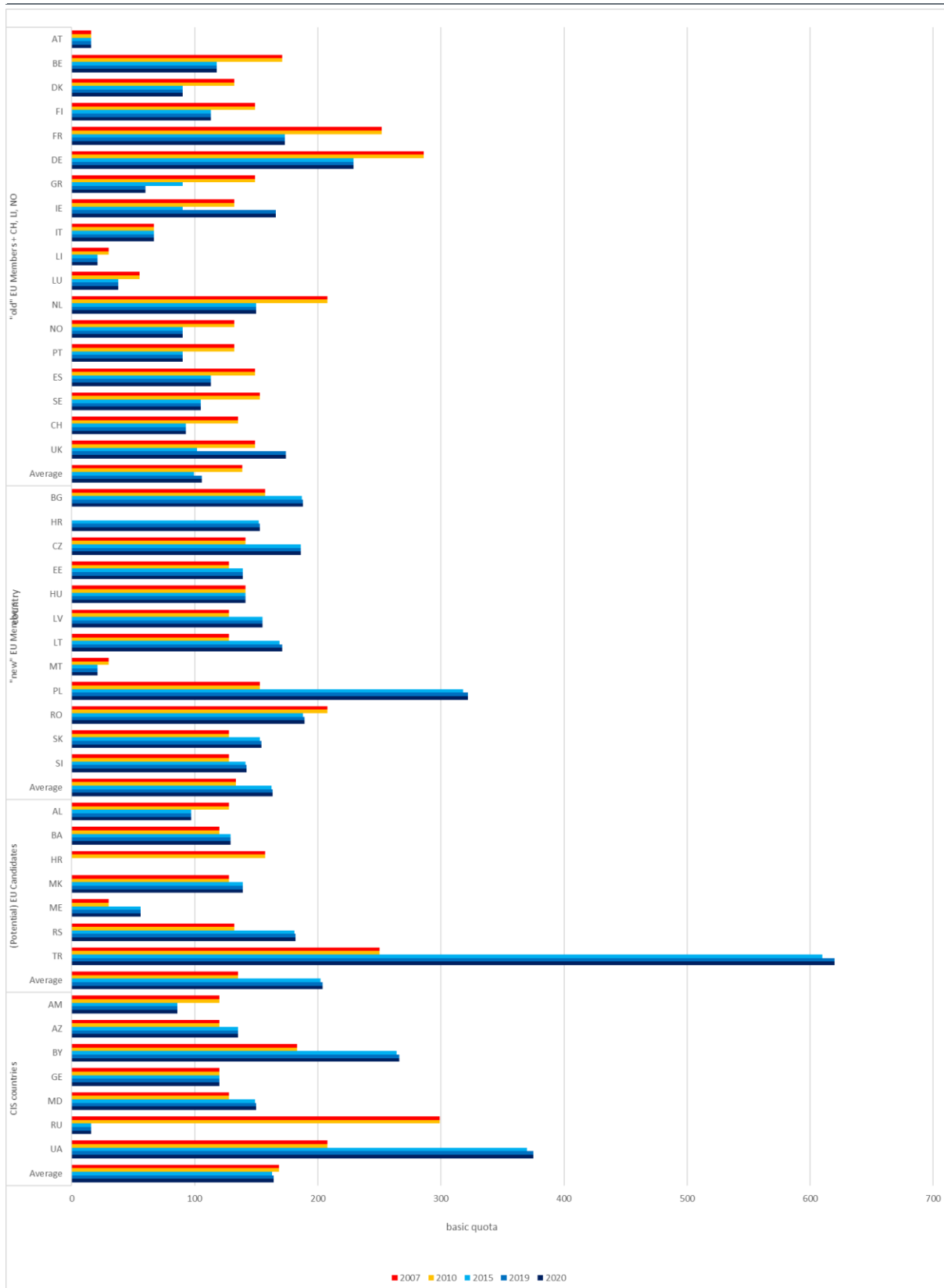


Figure 3 shows the distribution of the basic quota graphically and for the individual countries of the clusters. Within the groups, some Member Countries standing out due to their comparatively high number. Turkey has by far the highest quota in 2020 with 620 basic quota, followed by Ukraine with 375, followed by Poland with 322, Belarus with 266 and Germany with 229 (all 2020).

When comparing 2007 and 2020, it is particularly noticeable that the quotas following the redistribution along the Ministerial principles of 2005, shifted between the clusters. As can be seen in Figure 3, fewer quota were allocated to the group of "old" EU Members and, above all, more quota was allocated to the group of (potential) EU Candidates during this period. This can also be seen from the total figures shown in Table 3. Croatia, EU Member since 2013, appears twice in Figure 3 - for 2007 and 2010 in the group of (potential) EU Candidates and for 2015, 2019-2020 in the group of "new" EU Members). Here the quota of "old" EU Members decreased from 2497 to 1906 while at the same time the quota granted to the group of (potential) EU Candidates increased from 788 to 1223. At the same time the total basic quota was increased from 6090 (2007-2018) to 6238 from 29 March 2019 reinstating former and some additional (special) quotas for UK and Ireland⁹, in anticipation of needs in the case of a no-deal Brexit.

A closer look at the clusters between 2007 and 2020 reveals a redistribution of quota from which countries such as Poland, Turkey and the Ukraine have seen their quotas largely increased whereas Russia drops from 299 to only 16 due to self-imposed reservations. In the cluster of the "old" EU Members, however, only Ireland and the UK are recording an increase of basic quota, for reasons linked to Brexit. Apart from Austria Italy and Greece already low because of reservations, the basic quota in all other countries in the cluster decreased between 2007 and 2020.

3.3.2 Issue of Licences

After the allocation of a basic quota to each country, the national authority concerned decides on the allocation of licences in relation to the multiplier per vehicle category and duration (annual or short-term). The vehicles are classified according to the currently valid EU emission standards (Euro IV to Euro VI) and the number of licences is linked to this.

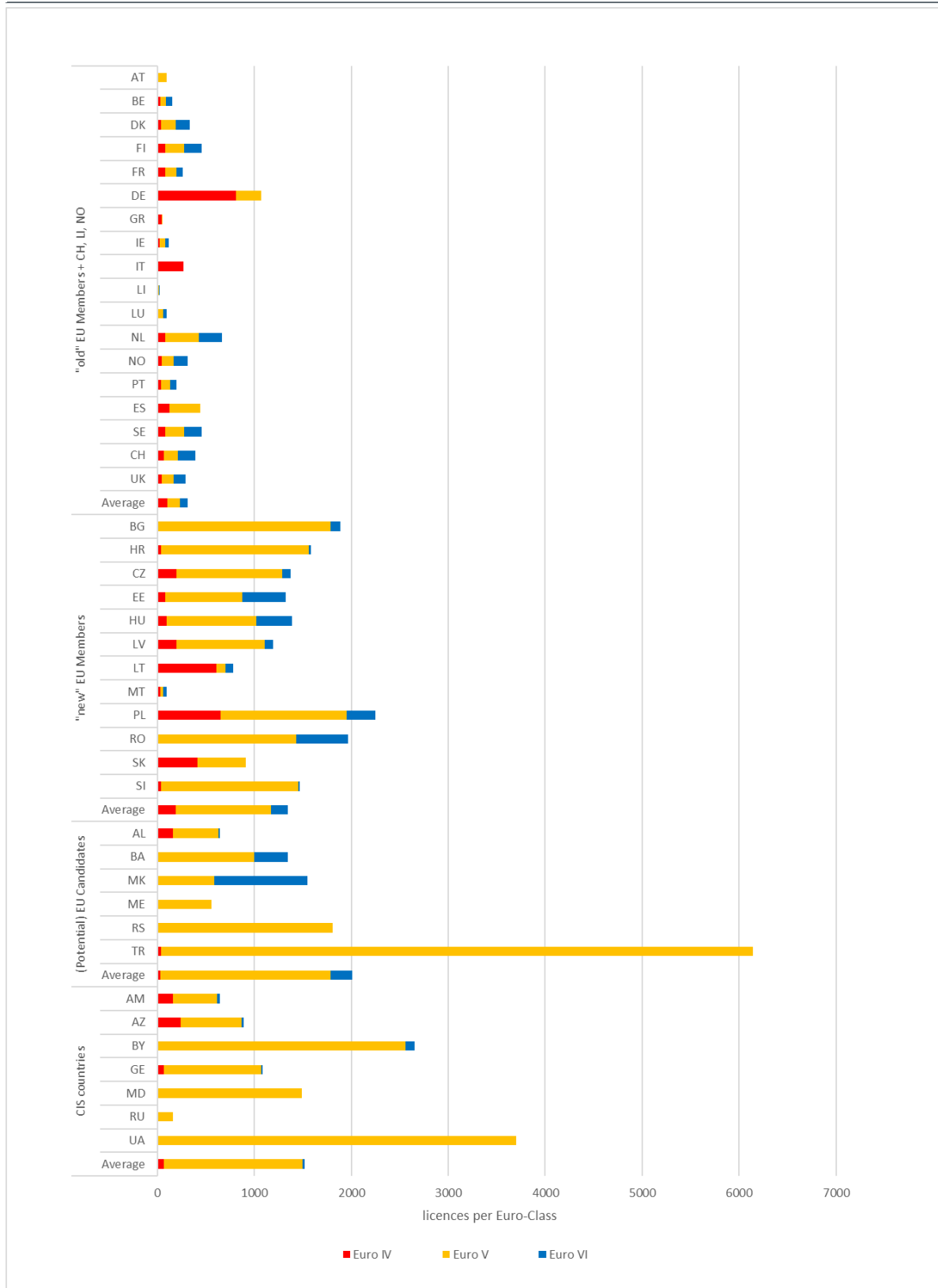
For each vehicle (emission) class, a multiplier to basic quota is defined and assigned to the respective classes. The following applies: the higher the class, the higher the multiplier. The total number of licences therefore depends on the division of the basic quota into the respective classes. The total number of licences is calculated from the basic quota and the combination of emission classes.

For 2018 Figure 4 shows the distribution of licences within quotas. This is based on a multiplier fixed for each Euro Class. For a Euro IV vehicle, the multiplier is 4, for Euro V 10 and for Euro VI it is 12. The Figure shows how the individual classes are distributed.

⁹ The UK becoming a non-EU country, Ireland as a country depending solely on non-EU country transit (land bridge) to reach rest of the EU.

Figure 4: Issued annualised licences by Euro-Class by each Member Country, 2018

Source: Data provided by ITF



Short-term licences have been annualised

In 2018 there are major differences between the individual classes. In total, Euro V Classes are by far the most frequently used (34,721). In second order are the Euro IV Classes with only 4,888 licences and in third order are the Euro VI Classes with 5,004 licences.

For 2020 Figure 5 shows the distribution of licences within quotas. The distribution of the Euro V and Euro VI Classes is initially relatively similar (Euro Class V: 34,780 and Euro Class VI: 27,839). However, it can be seen, that the "greener" Euro VI is mainly used in the "old" EU Member States, while the "new" EU Member States increasingly use Euro V vehicles. The average values in Figure 5 illustrates this development. As described in chapter 3.3.1, there are differences in basic quotas between 2018 and 2020 due to Brexit fear. This means, in addition that the allocation within the clusters differs also concerning the EURO Classes.

Compared to 2018, there have been shifts between the classes. In addition to the total number, which has increased significantly, the distribution has become much more balanced. A closer look will be taken in section 3.5.

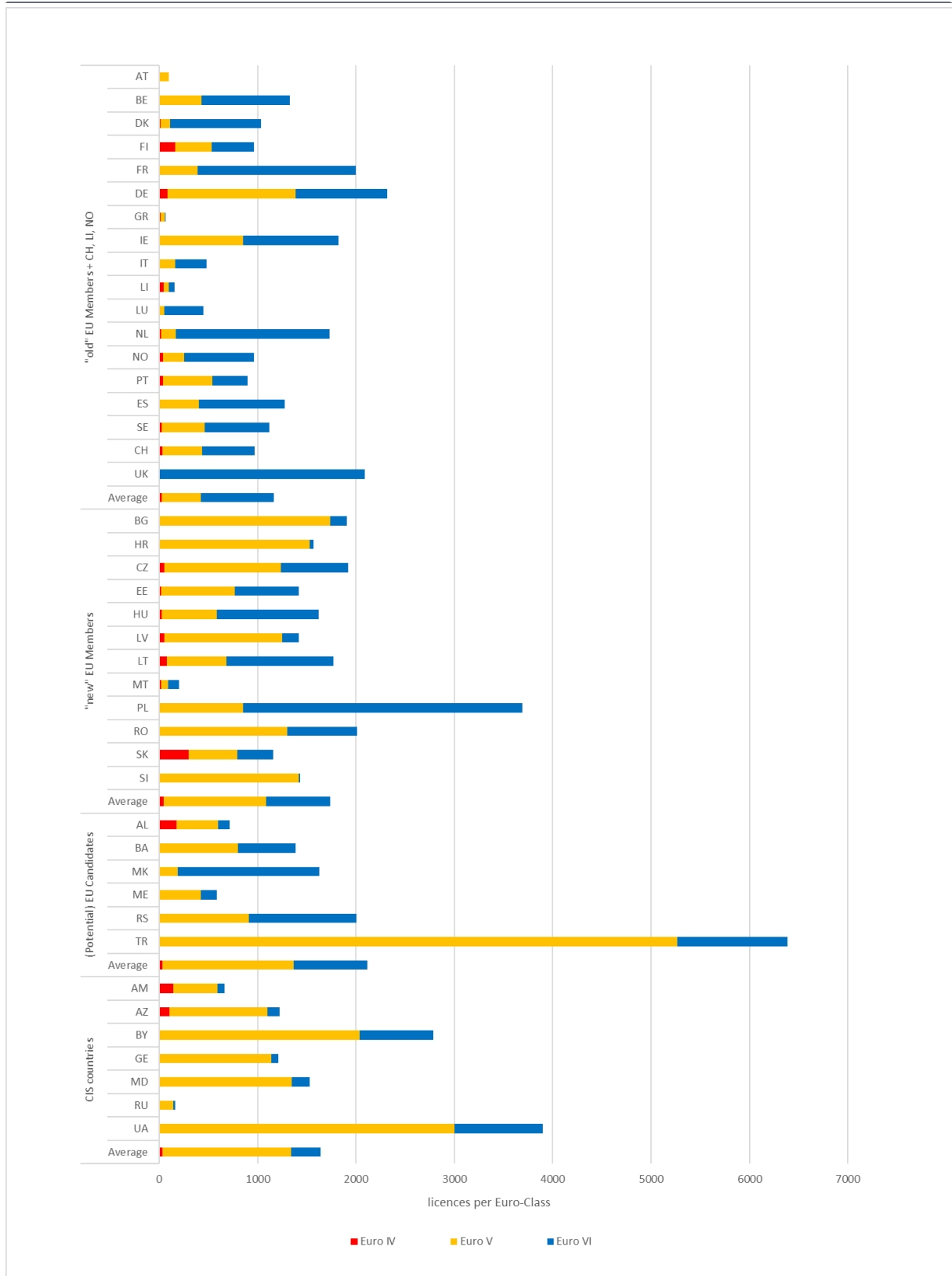
3.3.3 Usage of Licences

The share of licences used by Member States between 2015 and 2018 is shown in Figure 6. Within the groups, there were hardly any differences in the number of licences used between 2015 and 2018. However, there are clear differences between the groups. In 2018 the hauliers of countries belonging to the group "old" EU Members have used on average 28% of their licences. Hauliers of the "new" EU Member group used 80% of the licences whereas in the group of potential EU Candidates 93% of the licences were used. In the CIS Countries group, 80% of the licences were used.

A closer look at the individual countries reveals a certain heterogeneity even if we leave aside countries with self-imposed reservations (Austria, Italy, Greece, Hungary, Russia). In 2018, for example, with the exception of the countries mentioned, 14 countries used their licences to 100%. Figure 6 clearly indicates that the quotas are particularly important for countries outside of the EU and certain new EU Member States.

Figure 5: Issued annualised licences by Euro-Class by Member Country, 2020

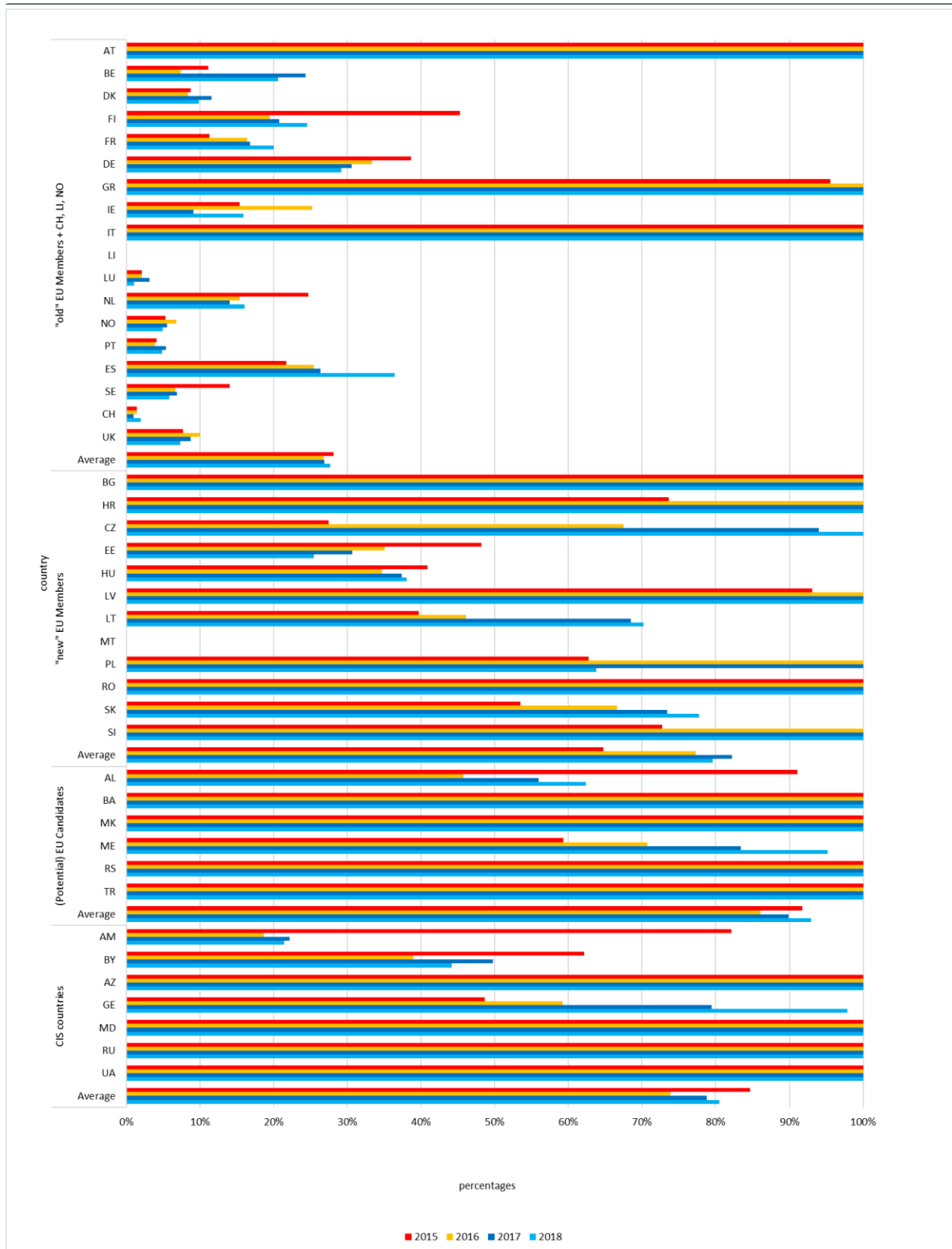
Source: Data provided by ITF



Short-term licences have been annualised

Figure 6: Use of annualised licences 2015-2018

Source: Data provided by ITF



Short-term licences have been annualised

3.3.4 Trip Data

Figure 7 presents the annual number of trips per assessed licence between 2015 and 2018. It shows that the group of (potential) EU Candidates and CIS Countries reaches a comparatively higher number of trips. Here the average number of trips (both loaded and empty) within the groups can be compared. While the average for 2018 in the group of “old” EU Member States is less than 20 (even if the countries that have no trips at all are excluded), it is more than 40 for all other groups and more than 50 for potential candidates. This means that far more trips per licence are made here than in the group of “old” EU Member States. However, these data also depend on the individual countries and geographical location. It should be kept in mind, that a vehicle with an ECMT licence is not necessarily operated all year round on trips requiring a multilateral licence. In some cases, they are only used sporadically.

The percentage of trips made by each group outside the country of registration is shown in Figure 8. Both loaded and empty trips were included. Since the "three-trip rule" was introduced in 2006, the number of these trips has decreased (see: (ITF/TMB/TR(2009)4/FINAL)). The differences between the years 2015 to 2018 are partly opposite. While the group of “old” EU Members had an increase in trips outside the country of registration from 2015 to 2018 (39% to 43%), the shares in the group of CIS Countries fell further from 46% to just under 40%, explained most likely by the Russian reservations- The changes may reflect short-term fluctuations rather than medium or long-term trends. The average share of the EU 15+3, for example, over the years 2015 to 2018 of 43% compares to 45% during 2004 to 2007. In a longer-term perspective, these ratios seem to be rather stable.

Figure 7: Yearly trips per evaluated annualised licences 2015-2018

Source: Data provided by ITF

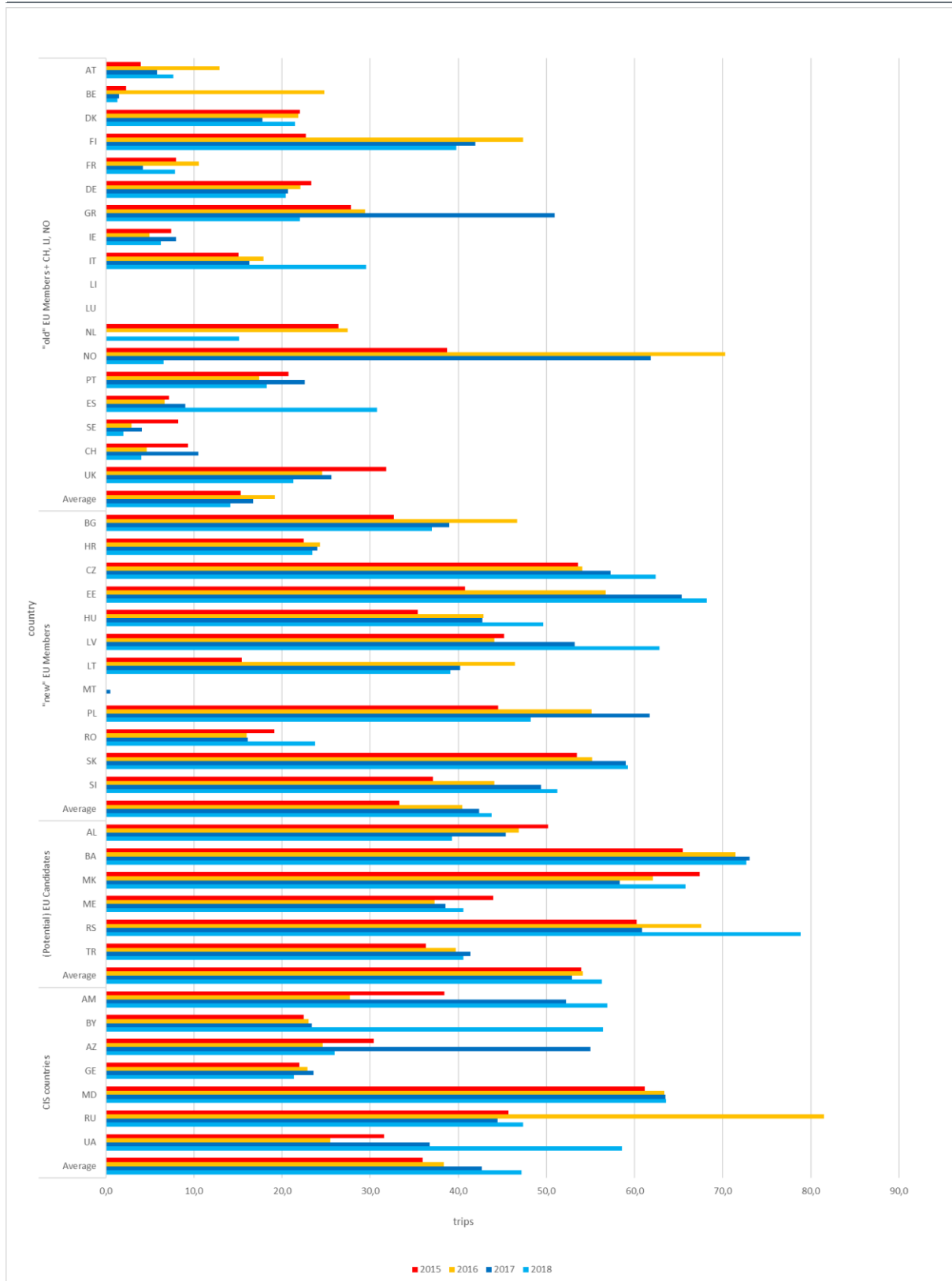


Figure 8: Share of trips outside country of registration 2015-2018

Source: Data provided by ITF

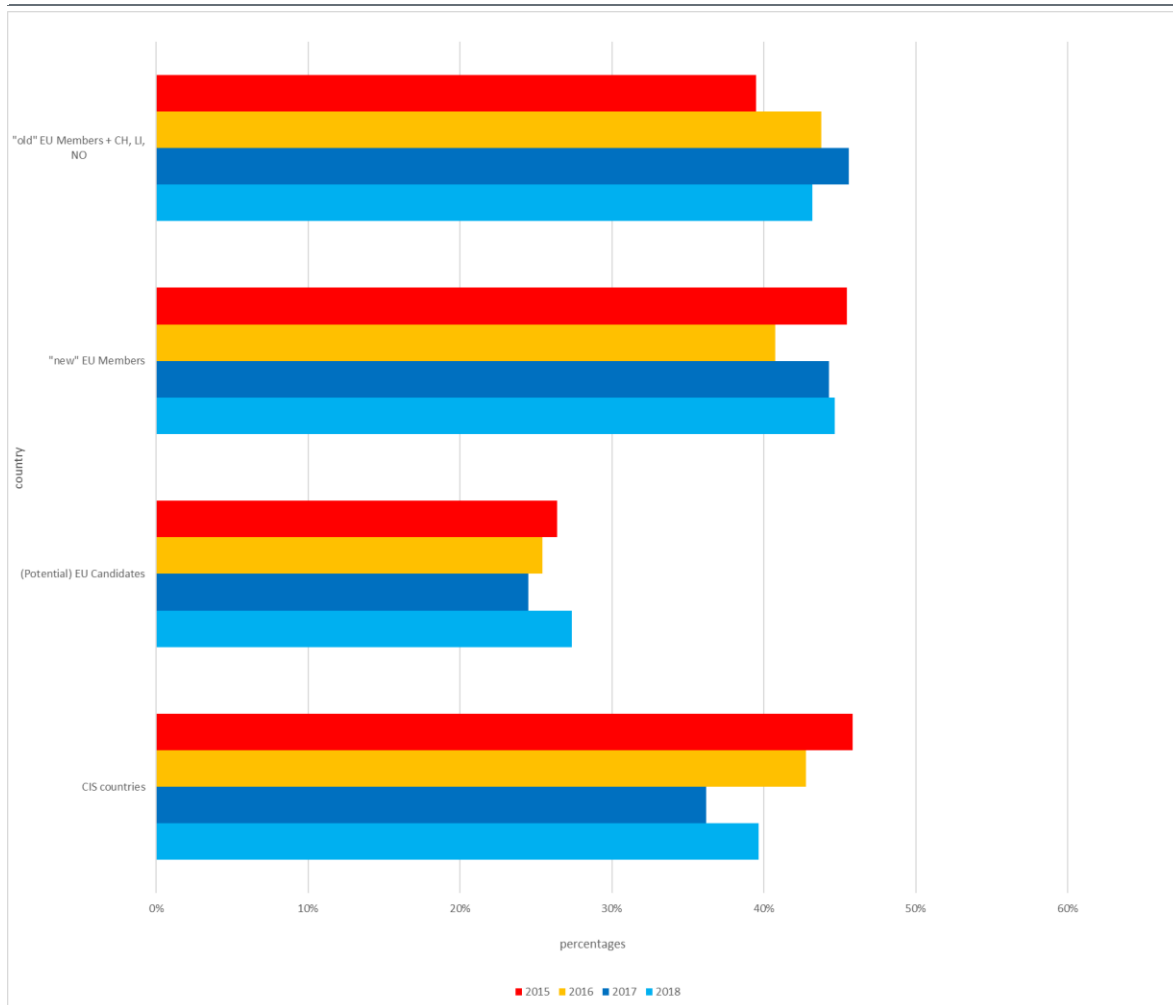


Figure 9 shows the number of trips between the three different areas. The first area contains the trips made within the EU in 2018 (red). The second presents the trips made between the EU Member States and non-member Countries (yellow). The trips between ECMT Countries outside the EU are represented in the third area and marked in blue.

As can be seen, traffic between the EU and non-EU Member States is of comparatively importance, especially for countries such as Poland, Russia, Turkey, Belarus and Ukraine. For transport within or outside the EU, the trips differ from country to country. While for Ukraine trips within the EU are of slightly higher importance than trips outside the EU, the opposite is the case for Turkey.

Table 4 provides a more detailed view. To be more precise, the number of journeys within or outside the EU and between EU and non-EU Countries are shown here. For better comparability, the average of the respective clusters and the total is shown. In addition, the calculated share of journeys between the origin and destination countries is also shown.

Figure 9: Trips intra EU, inter EU-non-EU, intra non-EU 2018

Source: Data provided by ITF

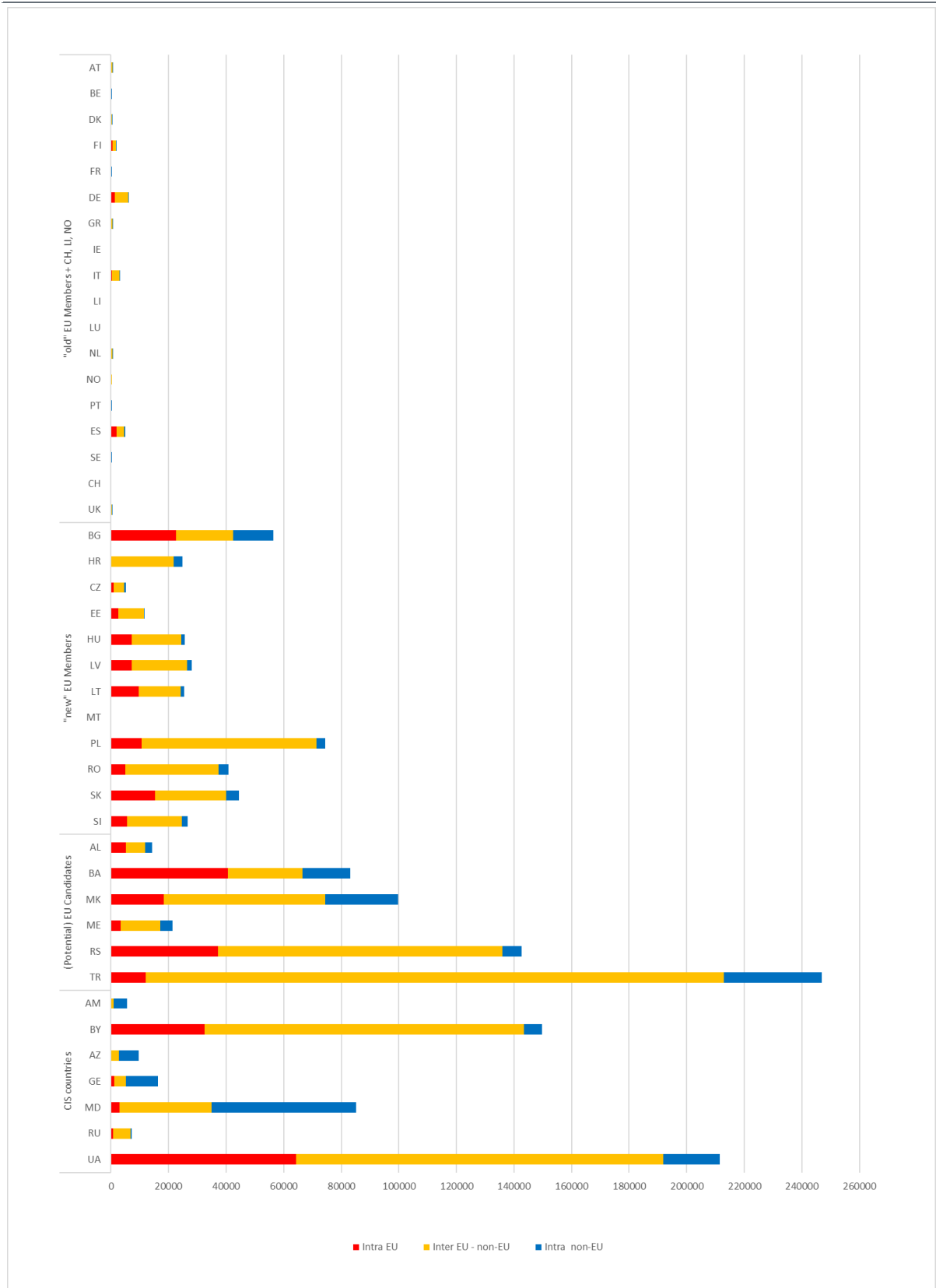


Table 4: Number of trips 2018

Source: Data provided by ITF

		Number of trips between EU/EEA states (including Switzerland) during the period under review (Jan.-Dec. 2018)	Number of trips between an EU/EEA state (including Switzerland) and a non-EEA state during the period under review (Jan.-Dec. 2018)	Number of trips between two non-EEA states (except Switzerland) during the period under review (Jan.-Dec. 2018)
"old" EU Members + CH, LI, NO	AT	197	249	92
	BE	0	42	1
	DK	5	340	20
	FI	620	1,047	123
	FR	20	183	1
	DE	1,424	4,527	39
	GR	141	476	21
	IE	3	47	0
	IT	260	2,644	110
	LI	0	0	0
	LU	0	0	0
	NL	210	333	61
	NO	62	23	0
	PT	34	85	9
	ES	2,056	2,517	475
	SE	17	22	7
	CH	5	0	27
UK	90	153	34	
Average	286	705	57	
Total	5,144	12,688	1,020	
Share	27%	67%	5%	
"new" EU Members	BG	22,585	19,761	14,116
	HR	0	21,762	3,170
	CZ	865	3,737	638
	EE	2,609	8,869	46
	HU	7,159	17,343	1,199
	LV	7,241	19,300	1,610
	LT	9,621	14,679	1,051
	MT	0	0	0
	PL	10,585	60,779	2,970
	RO	5,085	32,235	3,594
	SK	15,282	24,657	4,450
	SI	5,602	19,065	1,990
	Average	7,220	20,182	2,903
Total	86,634	223,080	22,063	
Share	26%	67%	7%	
(Potential) EU Candidates	AL	5,273	6,634	2,320
	BA	40,622	25,877	16,651
	MK	18,379	56,089	25,249
	ME	3,311	13,765	4,259
	RS	37,100	98,787	6,860
	TR	12,024	200,828	34,025
	Average	13,330	66,997	13,517
	Total	79,980	401,980	81,102
Share	14%	71%	14%	
CIS Countries	AM	204	828	4,546
	AZ	44	2,810	6,801
	BY	32,599	110,776	6,430
	GE	1,130	4,094	11,178
	MD	3,021	31,998	50,153
	RU	751	6,006	536
	UA	64,258	127,537	19,619
	Average	14,427	40,217	13,354
	Total	100,990	281,520	93,476
Share	21%	59%	20%	

The figures show that (potential) EU Candidates have the most trips between EU and non-EU Countries in total. The CIS Countries are in the lead in terms of number of trips between EU Countries and trips between non-EU Countries.

The shares within the clusters are quite similar. In all clusters, trips between EU and non-EU Countries have the highest share. Among the "old" and "new" EU Members, trips between EU Countries have the second highest share. For (potential) EU Candidates and CIS Countries, the distribution of trips between EU and non-EU Countries is approximately the same.

Figure 10 shows the loaded trips between 2015 and 2018. At first glance, they do not show any significant differences. A closer look at the data reveals, however, that empty trips decreased between 2015 and 2018. In 2015, the share of empty trips was 23.5%. In 2016 and 2017 the figures were 22.8% and 22.9% respectively, and in 2018 21.6%. This is a decrease of almost two percentage points, or of 8% overall.

According to these data some countries have reported surprisingly low proportions of empty trips. For example, Armenia reports values below 5% each year (2015-2018), Switzerland only 6.5%, the Netherlands only 3.8% in 2018 and Belgium 0%. These deviations might be a result of different "interpretations" of an empty trip or the way they are recorded in the logbooks.

In this context, the distribution of the percentage of empty trips between 2005 and 2010 is also very interesting, due to the fact that in 2006 the three-trip rule was introduced influencing the number of trips outside the country of registration (see section 3.3.4). The question is whether this also influenced the number of empty trips.

Figure 11 shows the percentage changes in loaded trips between 2005 and 2010 for the respective countries. As can be seen, within the "old" EU Members only four out of 16 countries have increased their loaded trips, while 12 have made more empty trips in 2010 than in 2005. The situation is similar for the "new" EU Members. Here three countries have more loaded and nine countries less loaded trips. The same is the case in the CIS Countries, where two out of six countries have more loaded trips. Only the (potential) EU Candidates were able to report more loaded trips in three out of five countries compared to 2005. This means that the introduction of the three-trip rule has an impact on the number of empty trips and these, with the exception of the (potential) EU Candidates, were increased between 2005 and 2010. For a detailed comparison of the data, the absolute numbers of trips are shown in the annex.

Figure 10: Share of loaded trips 2015-2018

Source: Data provided by ITF

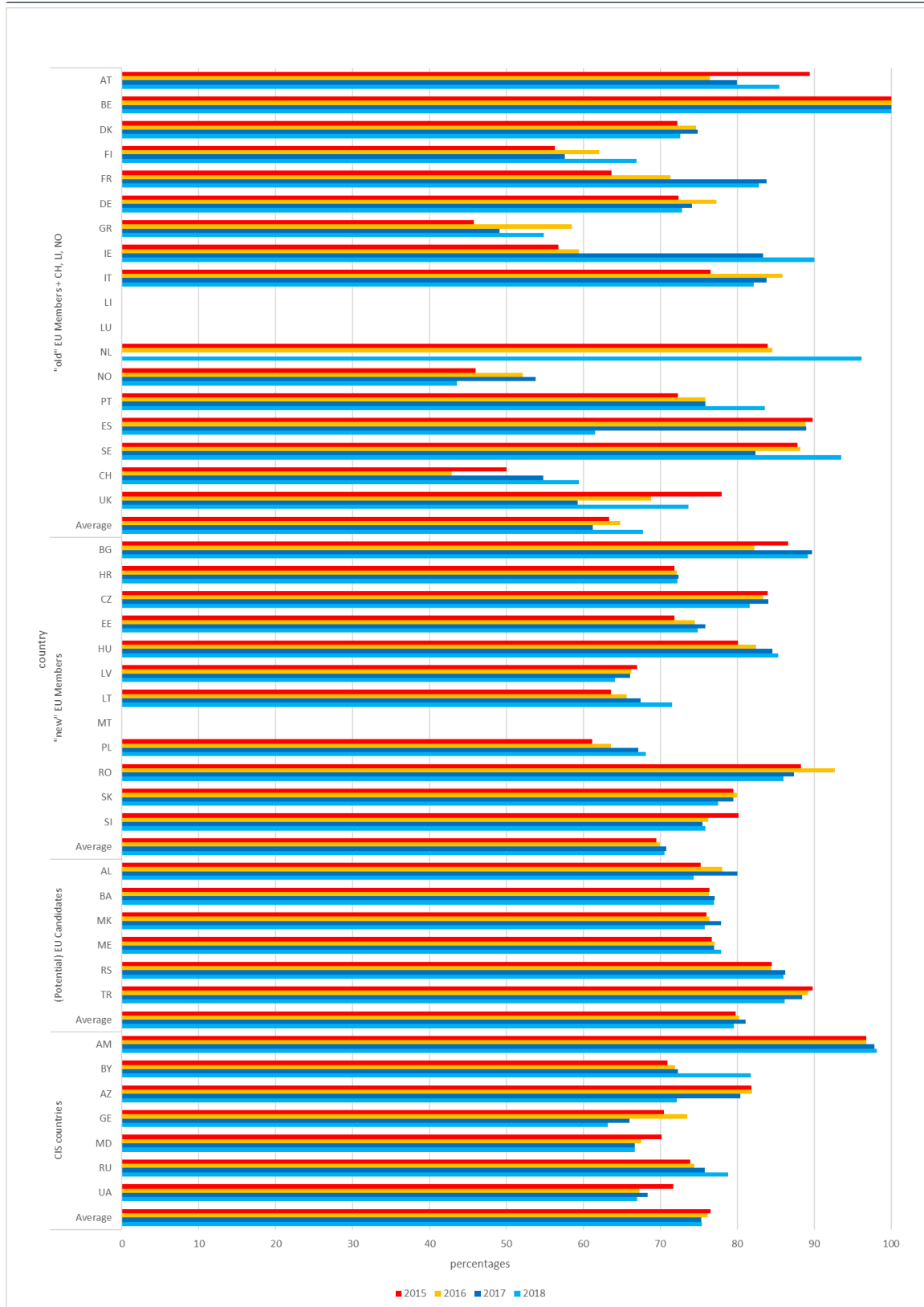
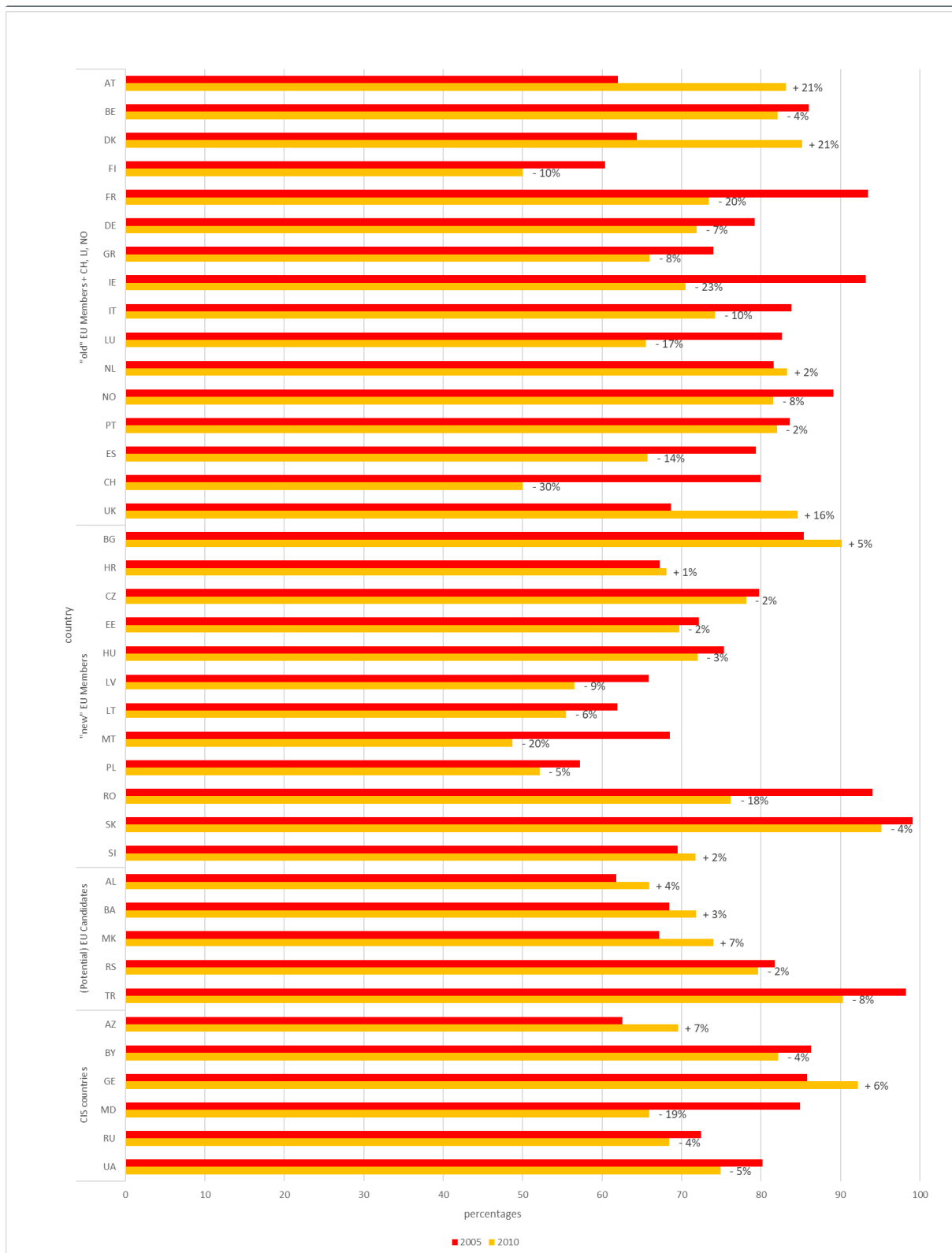


Figure 11: Share of loaded trips 2005 and 2010¹⁰

Source: ITF



¹⁰ Some countries were excluded from the analysis in order to avoid unequal values

3.4 Importance of the Quota in **European** International Freight Market

In this section, we try to estimate the shares of transport performance within EU territory of vehicles registered in third countries and vice versa and the share of the performance provided with ECMT licences compared to the total volume in the ECMT area.

In the following tables the freight performance of non-EU vehicles within the EU and the freight performance of EU vehicles outside the EU are estimated and presented. The calculation initially has different inputs of data. This applies, for example, to the number of used licences that were provided by the ITF. The average mileage and the loading factor are taken from ITF logbook data. With these three parameters it is then possible to calculate the transport performance. The share of trips of non-EU vehicles within the EU is then calculated. Data from the ITF was analysed for this purpose. This makes it possible to derive the approximate transport performance of non-EU hauliers on EU territory. This result is used to calculate the share of the EU market using the international road freight transport performance within the EU. These are taken from an extended extrapolation of the data from the 2009 study, which assumed that in 2007 international road transport performance within the EU was 588 billion tonne-kilometres and the share outside the EU 42.8 billion tonne-kilometres. Based on the Eurostat data (Statistical Pocketbook) we calculated the growth rate between 2007 and 2017 (11.9%) and extrapolated the old values. By using and extrapolating these values, comparability can be achieved.

Table 5: Calculation of market shares of non-EU vehicles operating with ECMT licences in the EU

Year: 2017/2018

	Unit	Potential EU Candidates	CIS Countries	all non-EU Countries	Source
Licences used (annualised)	number	12,175	11,435	23,610	ITF 2018
Estimated annual mileage per licence	1,000	51			ITF 2017
Estimated load factor (incl. empty trips)	tonnes	12.6			ITF 2017
Maximum transport performance p.a.	mn tkm	7,824	7,348	15,172	
Share of intra-EU trips		21.8%	14.2%		ITF 2018
Likely transport performance p.a. within the EU	mn tkm	1,706	1,043	2,749	
International road transport performance within EU	bn tkm	658			own estimate
Likely share in EU market		0.26%	0.16%	0.42%	

Table 6: Calculation of market shares of EU vehicles operating with ECMT licences outside the EU

Year: 2017/2018

	Unit	EU 15+3	New EU-Mem- bers	All EU Mem- bers	Source
Licences used (annualised)	number	1,439	17,050	18,489	ITF 2018
Estimated annual mileage per licence	1,000		51		ITF 2017
Estimated load factor (incl. empty trips)	tonnes		12.6		ITF 2017
Maximum transport performance p.a.	mn tkm	925	10,956	11,881	
Share of extra-EU trips		5.4%	9.6%		ITF 2018
Likely transport performance p.a. outside the EU	mn tkm	50	1,052	1,102	
International road transport performance outside the EU	bn tkm		47.9		own estimate
Likely share in non-EU market		0.10%	2.20%	2.30%	

The calculations show that the share of non-EU vehicles transporting goods between two EU Member States accounts for approximately **0.42%** of the total intra-EU market. In comparison, the share of EU vehicles transporting goods outside the EU is **2.3%** of the total market for goods transported outside the EU.

The share of the performance provided with ECMT licences compared to the total volume in the ECMT area can be calculated as follows. For the year 2018, a total performance of approximately **27 billion tonne-kilometres** is estimated (42,099 used licences, 50,797 km average mileage with licences and a load factor of 12.6 tonnes per trip). With a total international road freight transport performance within the ECMT area of **706¹¹ billion tonne-kilometres**, the estimated maximum share of the **performance provided through the ECMT licences is 3.8%**, down from **5% estimated at the time for the year 2007**.

3.5 Environmental Characteristics of the Quota

An important element in the discussion about the use of vehicles and vehicle fleets today is the impact on the global climate. The emission of harmful substances and of greenhouse gas (GHG) should be reduced as much as possible. The use of ECMT licences also contributes to this objective. As described in section 3.3.2 the distribution of licences also focuses on environmental aspects.

A "Preliminary Study on the Environmental Impact of ECMT Quotas" (ITF 2015) comes to the conclusion that the multilateral quota system certainly has an impact on emissions harmful to the climate. The values were calculated by comparing the fleet composition within the ECMT licences with the composition of the standard ECMT fleets on the same routes. The results show a clear environmental benefit in the fleet composition with ECMT licences.

Comparing the data from the study with the latest available data from 2018 and 2020, further differences are apparent. The use of the different Euro Classes for ECMT licences have already been described in section 3.3.2. For the year 2013 the study mentioned above has calculated the following proportions:

¹¹ Calculated the same way like the international road transport performance within/outside the EU (Table 5 & 6)

Table 7: Comparison of ECMT Member Countries fleet 2013, 2018, 2020¹²

Source: ITF 2015/2019

		EURO III	EURO IV	EURO V	EURO VI
Average fleet used for ECMT quota	2013	27.6%	14.9%	57.5%	
	2018		11%	77.8%	11.2%
	2020		2.2%	54.3%	43.5%

Rows 2 and 3 add the shares of the respective Euro Class for the years 2018 and 2020. This makes it clear that there has been a significant shift towards "cleaner" vehicles between 2013 and 2018 or 2020. One reason for these shifts is the phasing out of licences for Euro III vehicles and the desire of the countries to increase their number of licences, combined with the investment in new cleaner vehicles by hauliers.

As can be seen in Table 7, in 2013 there was still 57.5% Euro V as the cleanest class. This value increased again in 2018 to 77.8% but there was a share of over 11.2% of Euro VI vehicles. In 2020 the share of Euro VI Classes increases to over 40% The share of the Euro V decreases to just 54.3% and the share of Euro IV even to 2.2%. The phasing out of Euro IV vehicles is likely.

A look at the distribution within the clusters (Table 8) shows that it is mainly the "old" EU Member States which, proportionally compared to the other clusters, apply most frequently for licences for the "clean" Euro VI vehicles. In terms of the total number, the "new" EU Member States are ahead. For Euro V vehicles, all clusters except for the "old" Members have a high percentage share compared to the other classes. Compared to 2020 these distributions change. For all clusters, the share of clean Euro VI classes increases significantly, with Euro V and IV losing shares.

The comparison of the entire truck fleet in Europe can be illustrated by the data from Eurostat (see Table 9). Here Eurostat prepares data on the age of the lorries in relation to their performance (tkm). In the 2015 study, these age classes were assigned to the respective Euro Classes.

¹² Euro VI vehicle can also be used as/under a EURO V licence

Table 8: Share of Euro Classes within the cluster

Source: ITF 2015/2019

		2018			2020		
		Euro IV	Euro V	Euro VI	Euro IV	Euro V	Euro VI
"old" EU Members + CH, LI, NO	Total	1,864	2,381	1,452	471	5,940	13,343
	Share	33%	42%	25%	2%	30%	68%
"new" EU Members	Total	2,360	11,800	2,076	544	11,710	7,860
	Share	15%	73%	13%	3%	58%	36%
(Potential) EU Candidates	Total	200	10,530	1,320	176	8,010	4,524
	Share	2%	87%	11%	1%	63%	36%
CIS Countries	Total	464	10,010	156	240	9,120	2,112
	Share	4%	94%	1%	2%	79%	18%

Table 9: Road freight transport by age of vehicle (EU-28, in million tkm)

Source: Eurostat

	2013	2017	Growth rate
< 2 years	267,184	417,073	56.1%
2 years	257,495	279,882	8.7%
3 years	142,505	190,508	33.7%
4 years	105,323	170,573	62.0%
5 years	197,077	144,434	-26.7%
6 years	196,122	132,402	-32.5%
7 years	142,305	78,439	-44.9%
8 years	105,910	58,243	-45.0%
9 years	77,216	101,333	31.2%
10 to 14 years	173,704	261,636	50.6%
≥ 15 years	45,433	72,989	60.7%
unknown	815	5,606	587.9%
Total	1,711.089	1,913.118	

As can be seen, there are also some shifts in the total European fleet between the periods shown. The number of vehicles that are not older than two years increased by more than 50%. If we take the year 2012/2013 as the date of introduction of the Euro VI Class, this explains the growth of the fleet for vehicles not older than four years (from 2017 backwards) and a reduction in vehicles that are five to eight years old (from 2017 backwards). From the ninth year, however, the number of vehicles increases. This means that the entire fleet has also been rejuvenated, but vehicles older than 10 years are still in use, which is Euro Class IV up to age of 12 years than below.

In order to compare the shares of the various Euro Classes in the entire EU fleet with the shares within the CEMT fleet, the ages of the vehicles are converted to Euro Classes. The following applies from 2017 downwards: 9 years and older: Euro IV, between 8 and 5 years: Euro V. Up to 5 years: Euro VI. The results are shown in Table 10.

Table 10: Share of EU- and ECMT fleet

Source: Eurostat, ITF

	Euro IV	Euro V	Euro VI
Average fleet in EU 2017	12.1%	21.6%	62.9%
Average fleet in ECMT Countries 2018	11%	77.8%	11.2%
Average fleet in ECMT Countries 2020	2.2%	54.3%	43.5%

With a closer look through the results in Table 10, it becomes clear that there are differences between the EU-fleet and the ECMT-fleet. More precisely, regarding to Euro VI in 2020 ITF expects that over 40% of the transport performance will be carried out by Euro VI vehicles with ECMT licences, which is a considerable development compared to 2018. In 2020 Euro V vehicles will – according to ITF figures - nearly perform 55% which is a higher share than compared to the EU 2017. Nevertheless, this represents a strong decrease from 77.8% to 54.3% within only two years for Euro V in favour of Euro VI vehicles.

It is presumed that the fleet composition in non-EU countries is generally much older, while their ECMT fleet consists almost exclusively of EURO V and VI. The investments in the fleet were mainly influenced by ECMT.

In addition to that, the ECMT licences also lead to greater freedom in routing and thus to higher capacity utilisation and fewer empty runs at the same time (in contrast to bilateral licences).

Whether the findings of the 2015 study are still correct regarding the reduction of emissions from the use or non-use of ECMT licences would have to be re-examined in such a study. However, the figures in Table 8, Table 9 and Table 10 reflect a fast shift to Euro V and Euro VI vehicles, leaving little doubt that the multipliers built into the ECMT Quota system contribute to a significant reduction of greenhouse gas emissions.

3.6 Analyses between 2009 Report and 2020 Update

In this section, the differences between the above quantitative analysis and the analysis of the 2009 report for the years from 2004 to 2007 and the corresponding figures are presented. First, we note that the total of basic quota has been constant between 2007 and 2019 (6,090) and increased in 2019 to 6,238 in anticipation of a no-deal Brexit (see section 4.2). **This indicates that the quota system as it has been operated over the past 15 years is not linked to the evolution of international trade.**

The issue of licences in relation to the Euro Classes has changed considerably since 2005-2007. Firstly, no more licences are issued below Euro Class IV, which makes the fleet transporting goods via the ECMT licences "greener". An overall comparison of the total number of licences distributed per class is therefore difficult due to the different use of the Euro Classes between the years of the surveys. However, one possibility of comparison is the Euro Class IV between the periods. In 2007/2008 this class was still the "cleanest", but in 2018 this class was only in last order, as Euro V and Euro VI have been introduced in the meantime. This confirms the assumption that **the fleet is becoming "greener"**. Further information is provided in section 3.5.

There are also some differences in the use of licences between 2005 and 2018. Within the "old" EU Members' group the use of the allocated quota has increased. After utilisation fell from just under 50 to just under 20 percent between 2004 and 2007, the figures between 2015 and 2018 are just under 30 percent, following the quota redistribution from low to high demand countries in 2012-2015. The utilisation rate has thus increased again but has not reached the level of 2004. The group of "new" EU Member States, on the other hand, used to be at just under 100% usage but only reached around 55% between 2015 and 2017 subsequent to Russian unilateral restrictions in 2011 and 2015 which reduced access to member countries by 90%. However, the figure for 2018 was already back at around 60%. This could mean an increase in the coming years. The (potential) Candidates could not quite reach the level of the last survey. From 2004 to 2007 the average was 90% and above. Between 2015 and 2018 it was always just under 90%. In the CIS Countries the average between 2005 and 2007 was around 85%, in 2015 it was just over 80% and in 2015/2016 it was around 70% and climbed to 76%. The differences to the 2009 survey are therefore not very big. However, there is still a tendency to show that **licences are of great importance, especially for non-EU Countries.**

On the other hand, the figures for annual trips with a licence are also interesting. This is the number of trips made with a licence. Compared to the 2004-2007 figures, the number of journeys per licence for the "old" EU Members has halved from about 30 to about 15. There were also reductions in the other clusters. The "new" EU Members also lost about 10 trips on average (before about 55, after about 45), as well as the (potential) Candidates which dropped from about 70 to 55 trips on average. Only the CIS Countries were able to maintain their average number of trips at about 40 and here the figures are also rising towards 2018. The reasons for this could be, for example, that the lengths of the journeys may have increased and therefore less is performed in the total number. In addition, the basic change or shift in transport volumes in the direction of the Eastern European Countries also appears to be a reason.

Although there were some differences in the number of trips outside the country of registration between 2004 and 2007 due to the introduction of the "three-trip rule", this value remained at approximately the same level between 2015 and 2018. Apart from minor changes within the cluster between the years, these values are quite stable and fluctuate only temporarily.

In the evaluation of the departure and destination regions it is very noticeable, just as in 2007, that especially the traffic between EU and non-EU Countries is of high importance for the group of (potential) Candidates and the CIS Countries. However, the situation in 2018 is such that trips between countries within the EU (intra-EU traffic) have been added. The share was comparatively smaller in 2007. But the share of trips outside the EU (intra non-EU trips) also appears to be playing an increasingly important role. However, there are also considerable differences here between individual countries. For example, Russia has reduced its trips from a total of 80,000 in 2007 to less than 10,000, reflecting the reduction of the quota for Russia. There has also been a big change in Belarus. Belarus has increased the number of trips and has become an important carrier between the EU and non-EU Countries.

The average number of loaded trips changes for the "old" Members from about 81% in 2007 to about 68% in 2018. The new members were able to increase their percentage share from 63% in 2007 to 70% in 2018. The situation is similar for the "potential" Candidates. These also increased by about 3% between 2007 and 2018 from 78% to 81%. The CIS Countries were also able to increase their loaded trips slightly by 2% between 2007 and 2018 (73% to 75%). Overall, with the exception of the "old" Members, the proportion of empty trips was reduced.

Finally, it is not possible to compare the calculated proportions of EU vehicles outside and non-EU vehicles within the EU with the figures from the 2009 report for 2007. The main reasons for this are the different parameters that were used to calculate these proportions. Since it was already assumed in the 2009 report that, for example, the estimated annual mileage per licence was overestimated, this report attempted to find more reliable data for the calculation. As already described above, these come mainly from data from the ITF (ITF has improved considerably the monitoring of quota usage and hence its database). This makes the calculation a good approximation of reality, but as said it cannot be compared to the previous figures. However, some parallels can be made between these calculations. As in the 2009 study, it is clear that the share of transport performance from third countries within the EU is extremely low and the share of EU vehicles' performance in third countries is also very low.

The same applies to the calculation of the shares of ECMT licences in total road freight transport in Europe, because they were calculated with the same parameters. But also, in this case, as in 2009, the analysis shows a comparatively very low share of the transport performance in the ECMT area made with ECMT licenses.

3.7 Implementation of the Quality Charter

The ECMT Quality Charter for International Road Haulage Operations (QC) was adopted by Ministers in 2015 and entered into force on 1 January 2016, with a two-year transition period for implementation. The main purpose and objective were to harmonise the regulatory framework in all Member Countries to the *acquis* in the European Union by transposing into law provisions regarding:

- transport undertakings (using ECMT licences), providing proof that they satisfy the condition of establishment in a Member country, are of good repute, have appropriate financial standing and have professional competence;
- the drivers of vehicles: driving times and rest periods, driver training and conditions of employment;

- checks and penalties.

Implementation of the QC is formally completed in 41 of the presently 43 ECMT Member Countries including all EU Member States. Procedures for the approval of Azerbaijan are almost completed while Armenia is still lacking the implementation of several elements of the QC with progress being rather slow.

All in all, the implementation of the QC is considered by most stakeholders being a success. ECMT Member Countries outside the EU have made major efforts to implement and maintain the quality elements of the Charter. Nevertheless, the real impact of the QC on traffic safety as the ultimate goal remains unclear. The only valid indicator would be number and seriousness of infringements as a result of controls during operations, in particular of compliance with working hours and rest times. Statistical validity would require a harmonised system of controls in all participating countries¹³. For an in-depth analysis, annual infringement records of all countries since 2013 would be needed, preferably in connection with total vehicle-mileages by HGVs registered in Third Countries performed in the country where the control is performed. Such an exercise would be helpful for the detection of shortcomings and best practices. Records on drivers' training in the country of origin and on accidents would not be sufficient as the latter are largely linked to the age of the vehicle (with emission class as a proxy). It remains also to be verified whether or not quantity and quality of road-side checks are really harmonised between Member Countries.

Operators and governments in various ECMT Member Countries, backed by IRU, would like to see an increase in licences in countries that have implemented the QC. For the time being, no such mechanism exists. Unless a shift towards higher multipliers would be sufficient, a modification of the foundations of the Quota system would be required.

Non-EU Countries have agreed to adopt the QC and implement its rules into national legislation with the strong expectation that by doing so, all partner countries would withdraw reservations and restrictions (see below) and agree to the further development of quota (see ITF/TMB/TR/M(2015)2/FINAL, pp.2 and 3, as well as Chapter V of the QC). This has not materialised so far as certain EU Member States are blocking the move towards greater liberalisation and Quota adjustments. Problems may arise when, because of changes of EU rules (see Mobility Package below) modifications of the QC get on the agenda: the readiness of Third Countries to implement changes may fade.

3.8 Existing Reservations and Restrictions

3.8.1 Territorial Reservations

Member Countries in the ECMT Quota system may limit the number of HGVs registered in other countries and operating on their territory – whether loading/unloading or in transit. Reservations are presently imposed by five countries: Austria, Greece, Hungary, Italy and Russia.

Austria, Greece and Russia limit the entry of HGVs on their territory on a reciprocal basis, i.e. according to the quota assigned to them: 16 in the case of Austria and Russia, 60 in the case of

¹³ The legal basis for an exchange of infringement records exists in the Quality Charter (Chapter IV 1.2.3. and 1.2.4.). However, the exchange of records is not compulsory ("should" instead of "must"), but in reality, does not exist.

Greece. Hungary and Italy impose more “liberal” reservations with variations by country. On average over all partner countries, Italy reduces the quota by 64% (with a maximum of 91% for Turkey), Hungary by 15% (equally with the highest reservation for Turkish HGVs by 75%, Russia by nearly 90%.

The reasons for the reservations as they are today are multiple and have evolved over time. They are not investigated nor assessed in this report.

In addition, liberalisation of own account transport and transport of livestock are also debated.

When adopting the QC back in 2015, the understanding was that after the implementation of the QC all reservations would be phased out. This was also emphasised in our own survey and interviews. Now that there is only one country not having fully transposed the QC into national law (Armenia), it would be time to take steps towards the removal of all reservations. However, Italy and Hungary have made clear that under present circumstances, they would not be prepared to remove their territorial reservations (cf. ITF(2018)4/FINAL). The same position has been put forward by Austria (ITF/TMB/TR(2019)23/APP1/PROV). The Russian and Greek positions are unclear. Given the requirement of unanimous voting in the RTG, it is unlikely that reservations can be abandoned altogether unless all 5 countries can be persuaded to change their position.

3.8.2 Restrictions

Present rules of the ECMT Quota system limit the number of trips with origin and destination outside the country of registration of the vehicle to three before returning to the home country. The RTG has discussed the possibility of increasing progressively the number of trips permitted or allowing unlimited operations.

Many operators and governments from “old” EU Member States oppose a liberal approach with the argument that there would be virtually no difference compared to the use of EU Community licences, while most other ECMT Members including new EU Member States and peripheral countries such as Portugal favour such a move.

The ITF Secretariat say that they have statistical evidence that since the introduction of the three-trip rule “a stable and much higher proportion of trips connected with the country of registration, compared to 2005” has been achieved (cf. ITF(2018)4/FINAL). The Secretariat suggests increasing the number of permitted (cross-trade) trips to 5 for a trial period, monitoring closely the impact of the measure.

In its recent consultation of Member Countries’ governments (cf. ITF/TMB/TR(2019)23/APP1/PROV), the ITF Secretariat has raised the question of whether or not the existing “trip-based restriction..... should be removed by an agreement to follow social requirements in force in other ECMT States’ territories. Answers from 26 countries show that this issue is rather controversial: Many EU MS governments (AT, BE, CZ, DE, DK, FR, HU, IT, NL, SK) oppose the measure albeit with often very different reasoning; in contrast, most countries outside the EU (AL, AZ, BY, GE, TR) but also a number of EU MS (EE, LV, PT¹⁴) are in favour. Switzerland takes a neutral position.

¹⁴ It is interesting to note that Portugal judges the 3+2 restriction “particularly harmful for peripheral countries” – the same argument by which Portugal fought against the 6-week time limit before the 3+2 rule.

4 The Future of European International Road Freight

4.1 EU Mobility Packages

As stated earlier, the main purpose of the adoption of the ECMT QC was to adapt regulations of international road haulage operations for operators and vehicles registered in Third Countries (from the EU perspective) within the EU acquis. Any modification of EU regulations may thus require further adjustments of the ECMT QC and possibly also on the Quota system as a whole.

The EU has reviewed the adequacy of its regulatory framework and identified areas of improvements. The Union is presently in the process of adjusting its legislation regarding road haulage operations. It has initiated in 2017 and 2018 three so-called Mobility Packages clustering the revision of various legal acts in a joint exercise of Commission, Parliament and Council.

All relevant initiatives have entered the final stage of negotiation between Council, Parliament and Commission. A political agreement has been reached on all controversial points in trilogue meetings on 11 and 12 December 2019; the agreement was backed by the EP Tran Committee on 21 January 2020. With the normal legislative procedures to be followed, it can be anticipated that the process will be completed by June this year and the revised legislation will enter into force in July 2020.¹⁵

Transitional provisions are not the same for all pieces of legislation but an 18-month transition period would mean that all EU Member States will have to apply the legislation from the beginning of the year 2022 unless certain matters are brought before the European Court of Justice.

The revision of EU legislation concerns 4 areas:

- (1) A well-functioning internal market: access to the profession and access to the haulage market
- (2) Fair competition and workers' rights: driving and rest time periods, working time and posting of workers
- (3) Decarbonisation (not immediately relevant for HGVs)
- (4) Digitalisation: electronic documents and tachographs

Access to the profession and to the market is mostly concerned with the reinforcement of establishment criteria: fight against letterbox companies; making sure that companies do not use fake subsidiaries in order to pay low wages; appropriate number of personnel; documents stored in premises, etc.

Operators of light commercial vehicles will also have to abide to the rules of access to the profession.

¹⁵ Opposition voiced by 9 of the 11 New EU Member States' cluster against the proposed new rules for returning trucks home country every 8 weeks, and every 4 weeks for the drivers may derail the legislation schedule. The Commission has agreed to tender an independent impact assessment study on this subject (see: https://www.euractiv.com/section/transport/news/nine-eu-voice-opposition-to-eu-mobility-package/?utm_source=EURACTIV&utm_campaign=732c95be49-RSS_EMAIL_EN_Daily_Update&utm_medium=email&utm_term=0_c59e2fd7a9-732c95be49-114692863)

Posting rules will require the driver to have his/her pay slip in the vehicle. In the view of the Commission, this obligation will apply to Third Country operators as well since, according to the general posting directive, a Member State cannot give more favourable conditions to Third Country operators/drivers than to their own individuals, companies, etc. However, within the EU, the IMI platform will be used to control posting rules; it may be difficult to extend this control mechanism to Third Countries. The obligation of second-generation tachographs will be extended to Third Countries via AETR (Russia not accepting it for the time being).

Regarding digitalisation of documents, there is, for the time being, no legal obligation to produce electronic documents. The E-freight initiative for electronic documents for cargo for all modes of transport is the way forward (independently of EU legislative initiatives, several EU Member States signed or are in the process of ratification of the E-CMR protocol, a UN convention, under which governments accept electronic CMR documents).

The above revisions, once finally adopted, will definitely apply to haulier companies, their vehicles and drivers when operating on EU territory and may suggest revision of the QC as well. This raises the question of an adequate harmonisation timeline to allow a modified QC to enter into force synchronically with the corresponding EU legislation.

4.2 Withdrawal of the United Kingdom from the European Union (Brexit)

The original deadline for the Brexit on 29 March 2019 was extended twice in order to arrive at a negotiated agreement that would avoid a hard or no-deal Brexit. The first extension was until 31 October 2019. When new elections in the UK became unavoidable because of the deadlock in the UK Parliament, the EU and the UK agreed to extend the deadline a second time, this time through 31 January 2020. After the election of 12 December 2019 in which the Boris Johnson government obtained a solid majority, the new House of Commons voted on 9 January in its third reading in favour of the EU Withdrawal Agreement Bill which is in line with the terms negotiated with the European Union. Further parliamentary procedures are on a fast track to assure Brexit to be effective by midnight of 31 January. A no-deal withdrawal is thus not happening.

In order to avoid a collapse of trade in the case of a no-deal Brexit, the EU had passed legislation for contingency measures for road haulage to grant UK HGVs access to the EU on a reciprocal basis for EU registered vehicles to the UK, for a transition period originally until 31st December 2019. This legislation was extended until the end of July 2020. With the agreed withdrawal, these contingency measures will not apply.

The Withdrawal Agreement includes a transition period of 11 months until 31 December 2020 during which all Internal Market obligations and rights will be upheld by UK and EU. In practical terms, nothing will change for road hauliers. Whether the 11-month transition period will be sufficient for the negotiation of a complete EU-UK trade agreement is uncertain. It is also unclear whether the transport dossier will be part of a general agreement or if there will be a separate transport chapter. In principle, the transition period may be extended (twice) if negotiations will take longer, but the UK government has ruled out this case repeatedly in political statements. The EU Commission rather believes that the 11-month transition period will not be enough to conclude a deep and comprehensive agreement given the complexity of the dossiers and the time that is

needed to have an agreement ratified by 27 Member States¹⁶. The Commission suggests reconsidering the time frame before mid-2020; legally, the UK can request twice an extension of the transition period. After withdrawal, the menace of a no deal now relates to future trade agreements.

For cautionary reasons, both the UK and Ireland had requested in January 2019 the reinstatement of their former basic quota that they had formerly agreed to redistribute to new ECMT Member Countries (47 for the UK and 51 for Ireland) and in addition “special quotas” of 25 each. The requested quota was added to the system, increasing the number of basic quota from 6,090 to presently 6,238.

All parties that we consulted have expressed the view that while the ECMT Quota system is the only functioning multilateral permit system, it is not a permanent solution for Ireland and the UK once the UK will have the status of a Third Country from the EU perspective. For this reason, UK haulage companies represented by the FTA are extremely concerned about the prospects for the time after 31 December 2020. The 11-month transition period would not allow enough time for the negotiation of a comprehensive agreement with the EU.

As long as there is no definite perspective for the time after the end of the transition period, i.e. from 2021 onwards, ECMT licences remain a – albeit insufficient – key element for a smooth management of HGVs crossing UK borders. The only alternative would be the transfer of unaccompanied trailers by rail (rolling motorway) through the Channel Tunnel or by ferry to be picked up by EU or other third country registered tractors and vice versa. Nevertheless, the Brexit issue remains on the agenda until a definitive agreement on the circulation of HGVs between the UK and the EU has been concluded. Nevertheless, the Brexit issue remains on the agenda until a definitive agreement on the circulation of HGVs between the UK and the EU has been concluded.

Highlights of the evolution of the one-directional UK – Europe road haulage market are:

- In 2018, 2.4 million powered HGVs (over 3.5 t GVW i.e. “gross vehicle weight”, in the UK also referred to as “plated weight”) travelled from Great Britain to Europe including the Republic of Ireland, some 200,000 per month, with a slight downward tendency since 2016. In addition, a growing number of unaccompanied trailers (1.07 million in 2018) is reported by the UK Department of Transport Statistics¹⁷ (only sporadic data on incoming haulage operations is available).
- Also, in 2018, 14.5% of the motorised/accompanied HGVs were registered in the UK, 85% abroad. The share of UK registered vehicles has steadily decreased from 24% in 2004 and 20% in 2012. 75,000 HGVs (3.1%) were registered in non-EU Countries.
- Polish registered vehicles rank first in this market, accounting for 19.5%, carrying almost 10 million tonnes (in 2017). UK registered HGVs rank second (14.5%), followed by vehicles registered in Romania (10.6%), Netherlands (7.8%), Spain (5.8%), Germany (5.3%), Ireland (4.1%), France (4.0%), Lithuania (3.8%), Hungary (3.7%), Bulgaria (3.2%) and Belgium (3.1%); all other countries have a share of less than 3% each.
- Almost 2 million (accompanied) HGVs crossed the Dover Strait (80.6%) to France, where Eurotunnel is dominating the market. Irish Sea routes have a share of 13.9%, North Sea

¹⁶ See Financial Times, 9 January 2020, p.2: *UK must stick to rules for bilateral trade deal, warns Brussels*

¹⁷ UK Department for Transport Statistics: Roll-on Roll-off International Freight Statistics

routes (mainly to the Netherlands, Belgium and Germany) 7.0%, and English Channel routes from South England ports west of Folkestone 3.3%. Accordingly, 83.5% disembark in French ports, 9.1% in ports of the Republic of Ireland, 6.4% in Dutch ports and 1.0% in other ports (including Belgium, Denmark, Germany and Spain),

- UK statistics do not have any movements of HGVs beyond Eastern and Southern EU borders. Probably the volumes are insignificant or statistically inaccurate.
- Average distance of UK registered HGVs travelling to Europe is approximately 650 km. average load per vehicle is 12 tonnes (returning HGVs carry 15 tonnes).
- Eurotunnel has reported for 2019 a drop of 6% of (accompanied) HGVs after an increase of 3% in the preceding year. GETLINK, the owner of Eurotunnel, suggests that the drop in 2019 was due to a strike of French customs services, uncertainties linked to Brexit and a drop in the automobile market¹⁸.

The above indicative highlights do not allow an in-depth analysis of the impact of a shift from Community licences to ECMT multilateral Quota licences after the Brexit transition period, It would appear, however, that Western European Countries with largely unused quota can better manage demand than some of the high-usage “new” EU Member States, in the first place Romania, but most likely also Poland may experience serious shortages of licences.

Trying to quantify the possible and likely impact of a Brexit without agreement on road freight transport after the transition period ending December 2020, we have used as a basis Eurostat data for 2018 from the road freight matrix (with country of loading and country of unloading, see Annex 2) for UK exports and imports of goods by HGVs. Exports (26.7 million tonnes) and Imports (23.6 million tonnes) add up to a total of 49.6 million tonnes transported. The average distance was around 650 km, hence the total transport performance was 32.3 billion tkm. This transport performance translates, assuming an average load of 13.4 t per HGV, an annual mileage of 50,000 km per HGV and a rate of empty trips of 15%, to 55,450 annual licences to and from all EU Countries (equalling to 5 545 basic licences if used by Euro V, or, 4 621 basic licences if used by Euro VI), without accounting for transit needs for Ireland.

As a result of this simulation, taking into account UK transport statistics for 2018, the UK would have required over 6,100 additional licences, Poland 9,500, Romania 5,900, Spain 2,400, Germany 1,100, Ireland 750 (without transit) and France 600. The shortage for Poland, Great Britain and Romania would be dramatic, for Spain and Germany serious and for France significant. It should be kept in mind that cross-trade by operators based in other EU States (such as Poland and Romania discussed above) is important to supporting major goods flows between the UK and old EU States (such as France, Germany, Italy, Belgium) and hence business and consumers, more widely.

(The Republic of) Ireland is a special case as the country has very close trade relations with the United Kingdom (including Northern Ireland) and as most haulage to and from Continental Europe passes through Great Britain. 50% of total 2018 transport performance of Irish hauliers relate to trips from and to the UK and cabotage within the UK (82% of total transport volume in tonnes). Irish

¹⁸ Cf. GETLINK Communiqué dated 14 January 2020: Shuttle traffic in December 2019

hauliers also carry a considerable amount of goods between the UK and Continental Europe (408,000 tonnes in 2018). Another 448,000 tonnes are Irish exports to and imports from Continental EU Countries (average distance appr. 1,100 km) and 331,000 tonnes of cross trade and cabotage between and within Continental EU Countries (around 570 km average distance). Transports by Irish hauliers between the EU and third countries are marginal (less than 1 percent of total freight volume). An estimate of additionally required ECMT licences is impossible without further information. ECMT licences would be needed for Ireland – UK transport as well as for transit through the UK. Cabotage within the UK would not be possible any more for Irish hauliers.

4.3 Policy, Trade and Technology driven Long-Term Developments in Transport and logistics

Besides the two current topics in the political arena, a number of additional trends and developments affect the European road freight markets:

■ The European Green Deal

- On 11 December 2019, the new European Commission President presented to all EU Institutions a communication setting out “a new growth strategy that aims to **transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy** where there are **no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use**” (COM(2019)640 final).
- The transport sector that contributes today roughly 25% of total greenhouse gas (GHG) emissions will have to contribute substantially to the GHG neutrality by 2050 by a 90% GHG emission reduction.
- Key elements of the Green Deal strategy in the transport sector are, with focus on road freight transport:
- **Multimodal transport needs a strong boost**, increasing the efficiency of the transport system. “As a matter of priority, a substantial part of the 75% of inland freight carried today by road should shift onto rail and inland waterways”.
- **Automated and connected multimodal mobility** will play an increasing role, together with smart traffic management systems enabled by digitalisation.
- **The price of transport must reflect the impact it has on the environment and on health.** The Commission will give fresh political consideration as to how to achieve effective road pricing in the EU.
- **Ramping -up the production and deployment of sustainable alternative transport fuels.** In this regard, “the Commission will consider legislative options to boost the production and uptake of sustainable alternative fuels for the different transport modes. The Commission will also review the Alternative Fuels Infrastructure Directive and the TEN-T Regulation to accelerate the deployment of zero- and low-emission vehicles and vessels.”

- **Transport should become drastically less polluting.** “The Commission will propose more stringent air pollutant emissions standards for combustion-engine vehicles. In parallel, it will consider applying European emissions trading to road transport, as a complement to existing and future CO2 emission performance standards for vehicles.

The Green Deal strategy does not replace the objective from the **Commission’s 2011 White Paper “Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system”** according to which the EU seeks to achieve the goal that 30% of road freight over 300 km should shift to other modes such as rail or waterborne transport by 2030, and more than 50% by 2050. This policy objective is still valid. In reality it will lead to reducing the competitive advantages for road transport, i.e. increasing substantially the price for road freight transport.

■ International trade

- International trade of goods has recovered from the 2008 financial and economic crises. OECD/ITF currently projects for the whole OECD area an annual growth of 2.7% p.a. until 2030 and around 3.2% up to 2050 (ITF Transport Outlook 2019). Trade between the EU and Third Countries, still at a rather low level, may grow at this pace while intra-EU trade may expand at a somewhat lower level. Prognos’ experts expect increasing intra-Asian trade volumes, whereas intra-European and the North-Atlantic trade will shrink.
- Against this background, a trend to protectionism can be observed worldwide, hampering the free trade and – consequently - reducing transport demand volumes. On the other hand, the strong growing online business will increase trade and transport needs also in long-distance international transport. Already now big online traders install their hubs for the provision of Western Europe in Central European Countries (e.g. Poland). It seems plausible that along with the growing economies in these countries and higher wages, big online traders will install their hubs more in the Eastern Non-EU Countries.
- In addition, a new trend of near sourcing can currently be observed in EU’s industrial production with a clear retrieve of production from Far East and – in particular – China to Eastern European EU and non-EU Countries.
- The “One Belt One Road” programme is moving ahead, developing rail and road links along the Silk Road corridor. Volumes are still very small and mostly moving by rail. Nevertheless, road connections for HGVs are opening. However, given the long distances of over 10,000 kilometres in one direction with correspondingly high GHG and other emissions, it seems unlikely that road transport will attract a significant share in Asia – Europe freight movements.

■ Technological trends

- Conventional combustion engines will gradually be replaced by battery-electric vehicles or, in the case of road freight rather by fuel cell technology.
- Growing digitalisation will lead to a more efficient and environmentally friendly transport system, by reducing empty or partly loaded trips for road transport.

- Platoon driving and autonomous driving are within reach.

4.4 Potential ECMT- Candidates

As mentioned at the beginning, also the potential ECMT Candidates shall be briefly considered. In this subsection we look at China, Morocco, Israel and Kazakhstan with regard to the volume of trade into the ECMT area. The data is based on the trade statistics of the International Monetary Fund (IMF) in US Dollars. These statistics show that trade between China and the ECMT area has increased by 47% between 2010 and 2018. In an earlier Prognos study, land based transport was calculated. This also shows an increase for the period 2010-2018 (approx. 18%).

For Morocco, an increase of 63% is indicated for goods trade. Israel has also seen an increase (27%), as has Kazakhstan (13%). In view of this growth in trade flows, consideration may be given to including these countries in the ECMT area.

There are geographic and geopolitical aspects to such an enlargement of the ECMT area:

- China is a very big country. Export-oriented industries are largely located along the coast of the China Sea and exports to Europe is largely by maritime transport and to a smaller extent by rail through Russia. For the manufacturing sector in North-western China, Europe may be at better reach by land transport via Kazakhstan and Russia. The Chinese-led Belt and Road Initiative aims at developing alternative routes for rail and road corridors bypassing Russia. The interest of the Chinese government to adhere to ECMT has been exposed by a Chinese delegation to ITF. The issue is complex and requires an inquiry into many aspects, amongst others the environmental impact of road transports of over 7,500 km from Europe. But the Chinese interest is also to develop trade with CIS Countries that are ECMT Members
- Kazakhstan is on the same axis as China, but the country is landlocked. The interest to join ECMT appears to be vital.
- Morocco has already strong trade relations with ECMT Countries, in particular with countries in the EU. However, as there exists no fixed link to Spain or Gibraltar, the crossing by ferry can accommodate both accompanied vehicles and (unaccompanied) trailers. Unaccompanied trailers can be picked up by tractors with a Community licence not requiring an ECMT licence.
- The same refers to Israel whose land connection with Europe is for the time being cut off from Europe for geopolitical reasons. Crossing the Mediterranean to Turkey is probably the most used connection. We don't have sufficient data at hand for an analysis of the advantages for Israel to allow their hauliers to operate with ECMT licences.

5 Overall Assessment of the ECMT Multilateral Quota System (SWOT Analysis)

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 (Danish Road Safety Agency), France (Ministry of Transport and French Association of international road freight transport, AFTRI), Germany (Federal Agency for commercial goods transport, BAG), Netherlands (National and international Road Haulage Organisation, NIWO, on behalf of Ministry in charge of transport), Portugal (Institute of Mobility and Transport, IMT) and United Kingdom (Department of Transport and Freight Transport Association, FTA)
- Bulgaria (Ministry of Transport/Executive Agency for Road Transport Administration), Czech Republic (Association of Road Transport Operators, CESMAD BOHEMIA), Estonia (Association of Estonian International Road Carriers, ERAA) and Latvia (Ministry of Transport)
- Belarus (Ministry of Transport), Georgia (Land Transport Agency), Russia (Russian Automobile Union) and Turkey (International Transporters' Association)
- European Commission, DG MOVE (Transport and Mobility)
- International Road Transport Union, IRU

The interviews at DG MOVE, IRU and FTA have been conducted person-to-person, the others by questionnaire (Annex 3).

As in the 2009 report, the overall assessment is carried out as a SWOT analysis¹⁹, identifying strengths and weaknesses in the present situation and adding opportunities and threats for 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 multilateral 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.

¹⁹ **SWOT Analysis** is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats 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 11: SWOT table based on quantitative analysis and interviews

<p>STRENGTHS</p> <ul style="list-style-type: none"> • ECMT permits are highly important for non-EU hauliers but also for EU hauliers close to the Eastern border of the Union; less important for most “old” EU Member states. • 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 • unrivalled multilateral permit system; 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 • potentially reducing empty trips, thus reducing transport costs for shippers • multiple benefits from Quality Charter 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • linkage of basic quota to established criteria not recognisable • not or only partly based on real needs (only 61% of issued permits are effectively used) • social conditions of drivers (driving and rest time periods, working time and posting of workers) not (yet) fully harmonised • proper usage of permits (3-trip rule) difficult to control • diverging interests of Member Countries and unanimity voting rule prevent speedy compromises to adapt to changing needs and optimisation of the system • limitation of permits to 3 loaded trips outside home country not in line with objectives of empty trip avoidance • no harmonisation of controls (left to national administrations) • no exchange of records on infringements • road freight transport not always the environmentally friendliest mode of transport
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • increase of trade between ECMT Member Countries • overhaul of the quota system focussing more on real needs and efficient use and also on fleet renewal; removal of reservations and restrictions • better usage of information technologies as well as new-generation tachographs facilitating controls • alternative propulsion and driving technologies • extension to other countries, either as new ECMT Members or otherwise 	<p>THREATS</p> <ul style="list-style-type: none"> • Gradual suffocation of Quota system in a growing market environment • Brexit without a comprehensive trade agreement reached before the end of the transition period • Quality Charter not adjusted to reflect amended EU legislation • Diverging interests of stakeholders eventually blocking the adaptation of the Quota system for the future

Table 11 need some explanations:

STRENGTHS

- Non-EU Member Countries highly depend on ECMT licences for trade with EU Countries and so do EU Members in the East that have close trade ties with Eastern non-EU Countries. Countries further west have little usage for ECMT licences. The usage of licences (Figure 6) clearly shows this situation.
- It is again 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 mechanism. The positive impact on environment and safety is recognised. The impact on environment is documented by the shift to “greener” vehicles (Euro V and Euro VI); there is no statistical evidence on the impact on accidents.
- 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.
- The benefits of the introduction of the Quality Charter in 2016 that has been implemented by now in all but one non-EU Countries are recognised inside and outside the EU. The impact cannot be quantified with the information available. For many western stakeholders, full harmonisation is still not achieved.

WEAKNESSES

- The analysis of the usage of ECMT licences has shown that on average, only about 60% of the presently issued licences are used by operators (compared to 70% some 10 years ago. Usage in the EU15+3 Countries had halved from just under 50% in 2004 to below 27% in 2007. Many New EU Members have followed this trend over the past decade; in this cluster the use of licences has dropped from 80% in 2004/2005 to 60% in the period 2015 to 2018 although it is still 100% in Bulgaria and Romania. 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 today still more or less along the former iron curtain.

- The ITF statistical data on yearly trips per licence that usage is now quite stable in most EU Countries while usage in ECMT Countries outside the EU have increased over the past decade (from 70 to 80% in the potential Candidate Countries and from 40 to 70% in countries of the former Soviet Union).
- 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. The principle of unanimity vote is the main impediment.
- Social conditions of drivers (driving and rest time periods, working time and posting of workers) are difficult to monitor and control. We are still quite far away from a harmonised system. Certain countries have given up controls in this regard.
- There is an obligation in the Quality Charter to report infringements to the partner countries; however there is no mechanism yet for an automatic exchange with information to the ITF Secretariat for monitoring.
- EU and national policies to fight against climate change put an increasing pressure on the transport sector. The EU has set in 2010 the objective to reduce the operations of long-distance road freight transport of more than 300 km by 30% until 2030, mainly by shifting road freight to rail and inland waterways. We have to be conscious that most of the freight movements operated with ECMT licences are well over 300 km distance. Shift to environmentally less damaging HGVs cannot be a long-term solution. Unless there will be a break-through in propulsion from thermic to electric or fuel cell, the ITF/ECMT organisation will have to make its contribution to reaching climate neutrality by 2050, the goal to which the EU is committed under the European Green Deal.

OPPORTUNITIES

- After the financial and economic crises started back in 2008, the international transport markets contracted for five years until 2013. Since then, transport performance by EU hauliers has known an expansion reaching in 2017 the level of 2007. We can expect that the upward trend will continue, with annual growth rates between around 3%.
- Most interviewees have expressed the opinion that the ECMT quota system is an asset and should be further strengthened rather than capped. The withdrawal of reservations and also of restrictions is emphasised by many respondents from eastern EU and Third countries.
- 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.

- Better use of existing information technologies is highlighted by certain stakeholders (the installation of the ITF/ECMT Road Transport Platform was a first step in this area). Others stress the need to turn to alternative propulsion systems (electric, fuel cell).
- An extension of the ECMT quota system to other countries is permanently on the table. China has explicitly expressed interest in joining. As a matter of fact, it was recently reported that a first truck, registered in the Netherlands, with commercial load has made the trip from Germany to China (7,400 km) via Poland, Belarus, Russia and Kazakhstan in 12 days with one driver. What advantages the road mode has over other modes of transport (sea, rail, air) including external costs needs to be established. It would appear that such distances are out of range for environmentally sustainable transport. The same would apply to Mongolia, Uzbekistan and Kazakhstan. The situation would be different in the case of Morocco, but then Morocco has not any move in the direction of ECMT membership.

THREATS

Threats are generally not meant as fatal threats but reducing the importance of ECMT licences or disturbing the smooth functioning of the system.

- The importance of transport performance with ECMT licences is declining in a growing market environment. Unless the quota is expanded in parallel to the growing road freight transport market, the quota system will be suffocating.
- The consequences of the Brexit are a major concern for all transport businesses crossing the Channel to, from and through the United Kingdom. Now that a no-deal Brexit has been avoided, a transition period until the end of 2020 without changes in the present rules and regulations is on course. There are doubts that the 11-month transition period will be sufficient to hammer out a comprehensive agreement between the EU and the UK. The suspense is thus deferred to 2021. ECMT licences may well be the only means to organise UK-EU goods transport for some time with possible shortages.
- The ECMT Quality Charter was introduced in 2016 and has been implemented formally by all but one ECMT participating countries. The expectation that all existing reservations would be lifted once the Quality Charter was implemented has not materialised to the deception of the concerned countries. The adoption of new EU legislation to come into force by mid-2020 and to be fully implemented by EU Member States will kick-off a new harmonisation round as all vehicles from Third Countries will have to comply with the new legislation when entering EU territory. Whether the concerned countries will be ready to take the necessary harmonisation measures remains an open question.
- Compromise, consensus and unanimity vote are the corner stones of the ECMT Quota system. Today, interests of ECMT Members seem to be drifting apart rather than converging. Hungary, for example, categorically opposes the increase of quotas and also the increase of

the multiplier for Euro VI vehicles in order to freeze HGV traffic and hence greenhouse gas emissions.²⁰

CONCLUSIONS

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

There is general agreement on:

- the positive impact of the quota system to handle international trade;
- the positive impact on environmental sustainability and road safety;
- the positive impact of the Quality Charter that all but one non-EU Members have fully implemented on the harmonisation of national legislation with EU rules;
- the advantages of the ECMT multilateral licences 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;
- a better use of digitised information flows to better monitor the compliance with the rules (Guide and Quality Charter);
- importance of future technologies for alternative propulsion systems and autonomy of driving HGVs
- the effectiveness of harmonisation of controls and sanctions,
- the importance of the quota system in the case of a Brexit without an agreed transport deal after the transition period

Nevertheless, respondents are split on:

- the perspective of full liberalisation of the usage of ECMT licences;
- whether or not the share of empty trips or better the share of empty vehicle mileage is increased after the change to the three-trip rule;
- whether or not to phase out Euro IV vehicles;

²⁰ This position and the Hungarian reservations should be seen before the background of increasing international road freight volumes transported by Hungarian hauliers: within the 3-year period 2015 to 2018 from 10.7 to 14.5 million tonnes of good loaded in Hungary (+ 36 %) and from 11.9 to 15.9 million tonnes of goods unloaded in Hungary (+ 33 %) [Source: Eurostat].

- fairness of competition;
- increasing the quota;
- the advantages of extending the quota system to countries adjacent to the present ECMT 43 area.

6 Options for the Future and the Way Forward

It is worthwhile recalling here the “options for the future” in the ProgTrans 2009 report and assessing the situation 10 years later:

- **The objectives defined by Ministers of Transport remain valid.**

No significant changes of objectives are noted; however, the consensus at ministerial level is not always reflected in the votes of the working bodies as any ECMT Member can block decisions.

- **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.**

While the management of the quota system has improved to a certain extent with informatics progress having facilitated the transfer of data between Members and from Members to ITF, no effective steps towards more liberalisation have been taken over the past decade.

- **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.**

The shift of the multipliers as an incentive to encourage hauliers to operate HGVs with cleaner engines was rather fruitful. The adoption of the Quality Charter in 2015 and its successive implementation in non-EU Member Countries was a formidable step in the right direction improving quality of service and road safety; nevertheless, those countries still look forward to obtaining rewards for their efforts, either through increased multipliers for Euro V and Euro VI vehicles or/and increased quota.

- **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.**

No consensus was reached on a modification of the quota system. The European Commission remains an observer.

- **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.**

Such a move has never been considered by the parties.

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

While monitoring by ITF has improved, there is still no interchange of information on infringements and penalties.

- **Restrictions of the kind of the three-trip rule are counterproductive with regard to the efficiency objective and should be relaxed to the possible extent.**

Initiatives to soften the three-trip limit were blocked in the competent bodies where decisions must be taken unanimously.

A decade later, most of the above recommendations remain valid. Key achievements during the decade were the “greening” of the fleets through the variations of the quota multipliers and the successful preparation and implementation of the Quality Charter that was agreed by all parties. However, many of the governments which implemented the Quality Charter were expecting all reservations being lifted and are now disappointed that this has not materialised. The Multilateral Quota system appears to be deadlocked between Members who expect greater liberalisation and others who oppose any move in that direction and to expand quotas needed for the transport of growing trade volumes. Under these circumstances, given the lack of dynamism in adjusting and further developing the quota system, a complete rethinking of the system should be initiated.

The following options appear to be approaches to be considered:

- 1. Return to the initial philosophy of the early days of the ECMT Quota system** (giving priority to the progressive liberalisation of road transport along with the harmonisation of competitive conditions of road haulage: differences in taxation, social conditions, technical matters; and also reduction of empty runs as part of the efficiency principle);
- 2. Lifting of territorial reservations and adjusting quota in line with trade volume fluctuations;**
- 3. Phasing out of national quota to be replaced by quota for each cluster of countries or by a universal flexible (trade volume based) quota with agreed objectives and objectively verifiable criteria or in conjunction with a market driven mechanism for the distribution of licences;**
- 4. Widening the range of the ECMT area to adjacent countries to the East and South** (Kazakhstan, China Mongolia as well as Morocco and Israel are debated);
- 5. Replacing the unanimity vote by a qualified majority or double majority vote in order to avoid deadlocks.**

These options are leading to the following **suggestions for the strategic way forward**:

1. **Political agreement on the principles**: the “Moscow principles” (2005) need to be complemented by the ecological/environmental dimension and by a geographical/geopolitical dimension, keeping in mind that these two additional dimensions need to be balanced (road transport over thousands of kilometres doesn’t make sense with current technologies;
2. **Definition of scenarios**²¹ as a **foresight** exercise: the number of scenarios must be limited to a practical working level;
3. **Designing the framework for an appropriate impact analysis** of each scenario to make sure that all parties can benefit;
4. **Establishing a sound trade and transport database** for the whole territory (which is missing today); this could be done by expanding the EU’s future TRIMODE integrated transport model for Europe that is presently being developed to be completed later in 2020 or at the latest in 2021²², in order to respond to the requirement of an “evidence-based scientific and concrete analysis;
5. **Study for the evaluation of scenario alternatives**
6. **(Political) Decision process and implementation**

The indicated way forward will require many (at least 5) years of work and considerable budgets, the price to prepare for the future.

²¹ As stressed by the ITF Secretary General on 6 February 2020

²² As described in Ian N Williams et al.: TRIMODE Freight & Logistics Model of Europe,, AET 2017) , to be downloaded at: <http://www.trt.it/wp/wp-content/uploads/2018/05/3-TRIMODE-Freight-Logistics-model.pdf>

References

- AECOM (2014a): Report on the State of the EU Road Haulage Market, Task A Collection and Analysis of Data on the Structure of the Road Haulage Sector in the European Union, prepared for the European Commission, 3 February 2014; <http://ec.europa.eu/transport/modes/road/studies/doc/2014-02-03-state-of-the-eu-road-haulage-market-task-a-report.pdf>
- AECOM (2014b): Report on the State of the EU Road Haulage Market, Task B: Analyse the State of the European Road Haulage Market, Including an Evaluation of the Effectiveness of Controls and the Degree of Harmonisation, prepared for the European Commission, 5 February 2014; <http://ec.europa.eu/transport/modes/road/studies/doc/2014-02-05-state-of-the-eu-road-haulage-market-task-b-report.pdf>
- European Commission (2019) The European Green Deal, Communication from the Commission to the European Parliament, The European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, COM (2019) 640 final, Brussels, 11.12.2019; https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf
- European Commission (2019): Statistical Pocketbook 2019. EU Transport in figures. <https://op.europa.eu/en/publication-detail/-/publication/f0f3e1b7-ee2b-11e9-a32c-01aa75ed71a1>
- European Commission, DG MOVE (2017): Europe on the Move: An Overview of the EU Road Transport Market in 2015; <https://ec.europa.eu/transport/sites/transport/files/mobility-package-overview-of-the-eu-road-transport-market-in-2015.pdf>
- European Commission, DG MOVE (2019): Transport in the European Union - Current Trends and Issues, March 2019; <https://ec.europa.eu/transport/sites/transport/files/2019-transport-in-the-eu-current-trends-and-issues.pdf>
- Eurostat – European Commission (2019): Data on border crossing road transport. <https://ec.europa.eu/eurostat/web/transport/data/database>
- Eurostat Statistics Explained (2019): Road freight transport by vehicle characteristics. https://ec.europa.eu/eurostat/statisticsexplained/index.php/Road_freight_transport_by_vehicle_characteristics#Age_of_vehicles
- International Transport Forum (ITF) (2015): Preliminary Study on the Environmental Impact of ECMT Quotas (ITF/TMB/TR(2015)2/PROV)
- ITF (2015): QUALITY CHARTER for International Road Haulage under the ECMT Multilateral Quota System, ITF(2015)3/FINAL; <https://www.itf-oecd.org/quality-charter>
- ITF (2019): ITF Transport Outlook 2019, OECD Publishing Paris, https://read.oecd-ilibrary.org/transport/itf-transport-outlook-2019_transp_outlook-en-2019-en#page1
- ITF/IRU (2014): ECMT Multilateral Quota, User Guide; <https://www.itf-oecd.org/sites/default/files/docs/13mqguide.pdf>

Labinsky, A (2018): The New Silk Road Bonanza – How will proposed infrastructure capacities and forecasted demand between East Asia and Europe align in the future? European Transport Conference 2018, Dublin, 11.10.2018 (Prognos AG)

Mantzou, L., Wiesenthal, T., Neuwahl, F., Rózsai, M., The POTEnCIA Central scenario (2019): An EU energy outlook to 2050, EUR 29881 EN, Publications Office of the European Union, Luxembourg, 2019; <https://ec.europa.eu/jrc/en/potencia>

Prograns AG (2009): Report on European Road Freight Transport Market and ECMT Multilateral Quota Perspectives (ITF/TMB/TR(2009)4/FINAL)

Annexes

Annex 1: ECMT Member Countries

	ECMT quota countries	"old" EU Members + CH, LI, NO	"new" EU Members	(Potential) EU Candidates	CIS countries (former Soviet Union republics)
1	Albania			Albania	
2	Armenia				Armenia
3	Austria	Austria			
4	Azerbaijan				Azerbaijan
5	Belarus				Belarus
6	Belgium	Belgium			
7	Bosnia-Herzegovina			Bosnia-Herzegovina	
8	Bulgaria		Bulgaria		
9	Croatia		Croatia *		
10	Czech Republic		Czech Republic		
11	Denmark	Denmark			
12	Estonia		Estonia		
13	Finland	Finland			
14	France	France			
15	North Macedonia			North Macedonia	
16	Georgia				Georgia
17	Germany	Germany			
18	Greece	Greece			
19	Hungary		Hungary		
20	Ireland	Ireland			
21	Italy	Italy			
22	Latvia		Latvia		
23	Liechtenstein	Liechtenstein			
24	Lithuania		Lithuania		
25	Luxembourg	Luxembourg			
26	Malta		Malta		
27	Moldova				Moldova
28	Montenegro			Montenegro	
29	Netherlands	Netherlands			
30	Norway	Norway			
31	Poland		Poland		
32	Portugal	Portugal			
33	Romania		Romania		
34	Russian Federation				Russian Federation
35	Serbia			Serbia	
36	Slovakia		Slovakia		
37	Slovenia		Slovenia		
38	Spain	Spain			
39	Sweden	Sweden			
40	Switzerland	Switzerland			
41	Turkey			Turkey	
42	Ukraine				Ukraine
43	United Kingdom	United Kingdom			
Total	43	18	12	6	7

Annex 3: Loaded and empty trips 2005/2010 (absolute figures)

		Number of loaded trips 2005	Number of empty trips 2005	Share of loaded trips 2005	Number of loaded trips 2010	Number of empty trips 2010	Share of loaded trips 2010
"old" EU Mem- bers + CH, LI, NO	AT	1,130	693	62%	1,885	382	83%
	BE	2,490	405	86%	872	190	82%
	DK	407	225	64%	161	28	85%
	FI	70	46	60%	13	13	50%
	FR	2,160	152	93%	166	60	73%
	DE	24,384	6,414	79%	7,752	3,032	72%
	GR	4,872	1,711	74%	921	474	66%
	IE	300	22	93%	31	13	70%
	IT	4,070	786	84%	3,855	1,342	74%
	LU	143	30	83%	76	40	66%
	NL	11,836	2,677	82%	2,697	541	83%
	NO	766	94	89%	190	43	82%
	PT	4,056	796	84%	41	9	82%
	ES	4,170	1,085	79%	885	462	66%
	CH	2,014	504	80%	42	42	50%
	UK	1,133	517	69%	132	24	85%
Average	4,000	1,010	80%	1,232	418	75%	
"new" EU Mem- bers	BG	3,306	567	85%	1,659	181	90%
	HR	22,823	11,101	67%	32,328	15,157	68%
	CZ	9,521	2,418	80%	4,069	1,140	78%
	EE	28,744	11,095	72%	29,141	12,682	70%
	HU	49,910	16,351	75%	14,765	5,743	72%
	LV	28,489	14,761	66%	33,241	25,560	57%
	LT	40,643	24,992	62%	31,003	24,902	55%
	MT	741	340	69%	166	175	49%
	PL	43,443	32,519	57%	44,147	40,560	52%
	RO	72,784	4,636	94%	4,391	1,371	76%
	SK	23,742	213	99%	14,882	754	95%
	SI	34,846	15,308	69%	28,880	11,356	72%
Average	29,916	11,192	73%	19,889	11,632	63%	
(Potential) EU Candidates	AL	5,356	3,314	62%	3,619	1,873	66%
	BA	78,591	36,276	68%	45,049	17,678	72%
	MK	16,837	8,230	67%	44,210	15,552	74%
	RS	38,719	8,654	82%	78,828	20,149	80%
	TR	51,877	931	98%	64,590	6,920	90%
	Average	38,276	11,481	77%	47,259	12,434	79%
CIS Countries	AZ	3,704	2,220	63%	4,407	1,930	70%
	BY	37,739	5,997	86%	56,173	12,203	82%
	GE	10,319	1,711	86%	9,733	825	92%
	MD	28,328	5,030	85%	36,000	18,621	66%
	RU	81,098	30,818	72%	56,226	25,926	68%
	UA	3,513	869	80%	14,552	4,879	75%
	Average	27,450	7,774	78%	29,515	10,731	73%

Annex 4: ECMT multilateral quota system: Questionnaire/ Interview guide

1. In what way is your organisation concerned with permits (bilateral and/or multilateral) for international road freight vehicle movements?
2. Do you consider that the ECMT quota system?
 - promotes a high quality transport?
 - contributes to efficiency and market opening?
 - strengthens and harmonises controls and sanctions?
 - is based on real needs and efficient use?
 - has gained in quality (professional competence, reliability, safety, social conditions) since the adoption of the Quality Charter in 2015?

If an answer is negative: how to improve the system?

3. What is the importance of the ECMT quota for hauliers of your country?
4. How do you judge the present system from the point of view of traffic safety and environmental sustainability?
5. How do you judge the present system from the point of view of competition and competitive fairness?
6. Are you familiar with the criteria for quota allocation to Member Countries? Would you suggest changes? Which ones?
7. Is the quota system enhancing or hindering trade between EU Member States and third countries or between third countries?
8. Is the ECMT quota allocated to your country adequate, insufficient, unnecessarily high? Reasons? What should be done?
9. Could an extension of the quota system to some other countries facilitate trade flows? Which ones?
10. Is the ECMT quota system a useful complement to bilateral agreements or are the two systems competing?
11. What could be the impact of the no-deal BREXIT on the requirements of licenses of your country?
12. How do you see the future of the quota system?

Your contacts at Prognos AG / OMR Conseil

Hans-Paul Kienzler (Prognos AG)

Principal

Telephone: +492219131161-120

E-Mail: hans-paul.kienzler@prognos.com

Nils Brüggeshemke (Prognos AG)

Consultant

Telephone: +492219131161-129

E-Mail: nils.brueggeshemke@prognos.com

Olaf Meyer-Rühle (OMR Conseil)

Consultant

Telephone: +32 495 51102

E-Mail: omrconseil@skynet.be

Imprint

Report on European Road Freight Transports Markets and ECMT Multilateral Quota Perspectives
Update 2019/2020

On behalf of

International Transport Forum (ITF)
2 rue André Pascal
75016 Paris
France

Prepared by

Prognos AG
Werdener Straße 4
40227 Düsseldorf
Telephone: +49221 91316110
E-Mail: info@prognos.com
www.prognos.com
twitter.com/Prognos_AG

OMR Conseil
Olaf Meyer-Rühle
Av Winston Churchill, 163/6
B-1180 Brussels
Telephone: +32 495 51102
E-Mail: omrconseil@skynet.be

Authors

Hans-Paul Kienzler
Nils Brüggeshemke
Olaf Meyer-Rühle

Contact

Hans-Paul Kienzler (Project Manager)
Telephone: +492219131161120
E-Mail: hans-paul.kienzler@prognos.com

Date: March 2020
Copyright: 2020, Prognos AG
