

TWELFTH MEETING OF THE BSEC-URTA GENERAL ASSEMBLY

Grand Hotel Sofia - BULGARIA
Friday, 02 November 2007, at 10:00 hrs

REPORT ON THE BLACK SEA RING HIGHWAY CARAVAN CONCLUSIONS

The Black Sea Ring Highway Caravan was organised jointly by the world road transport organisation, the IRU, and its regional family, the BSEC-URTA, under the patronage of the Secretary General of the Black Sea Economic Cooperation Organization, HE Ambassador Leonidas Chrysanthopoulos, between 19 April and 28 May 2007.

The Caravan was organized on the occasion of signing of the BSEC Memorandum of Understanding on Coordinated Development of the Black Sea Ring Highway around the Black Sea basin by the Ministers of Foreign Affairs of the BSEC Member States in Belgrade on 19 April 2007.

Twelve trucks from each BSEC Member State drove a 8500 km itinerary during 40 days, following, as much as possible, the future Black Sea Ring Highway (BSRH) routes. The Caravan started on 19 April in Belgrade and ended on 28 May 2007, in Istanbul.



Itinerary

Where		When
Country	City	
Serbia	Belgrade	19.04.2007
Albania	Durres	22.04.2007
Greece	Thessaloniki	23.04.2007
Bulgaria	Plovdiv	25.04.2007
Romania	Bucharest	27.04.2007
Moldova	Chisinau	28.04.2007
Ukraine	Odessa	02.05.2007
Russia	Volgograd	08.05.2007
Russia	Astrakhan	10.05.2007
Russia	Makhachkala	11.05.2007
Azerbaijan	Baku	13.05.2007
Armenia	Yerevan	17.05.2007
Georgia	Tbilisi	19.05.2007
Turkey	Trabzon	23.05.2007
Turkey	Samsun	25.05.2007
Turkey	Istanbul	28.05.2007

Black Sea Ring Highway Draft Map

According to the BSEC MoU on Coordinated Development of the Black Sea Ring Highway the length of the BSRH will be approximately 7700 km.



Black Sea Ring Highway Caravan Route

The Caravan has driven a total length of 8500 km along the planned route of the future Black Sea Ring Highway.



The Caravan had the mission:

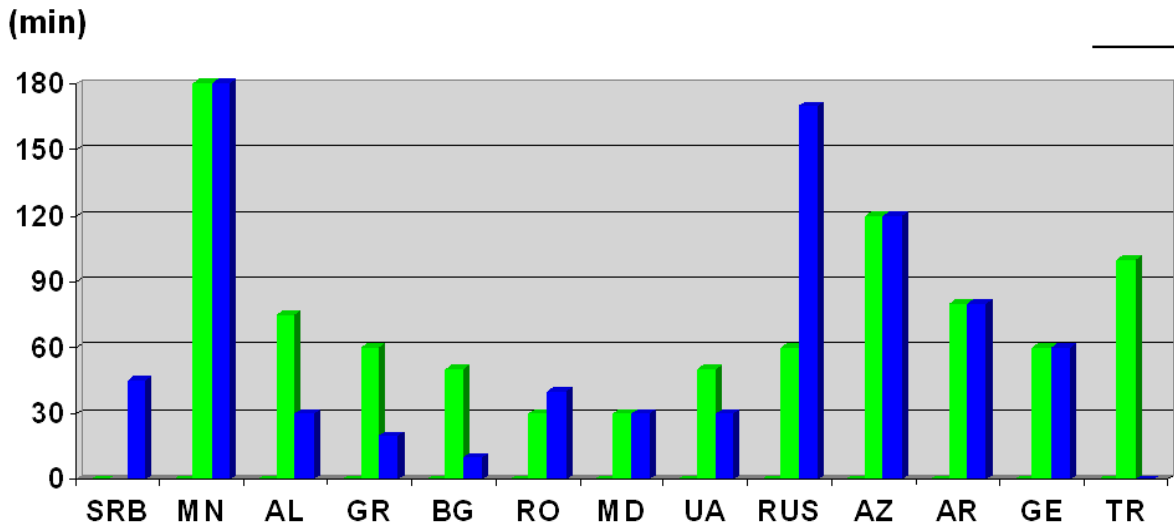
- to promote the future Black Sea Ring Highway to the BSEC people,
- to examine the existing road infrastructure along the possible Black Sea Ring Highway routes,
- to collect transport-related data about the non-physical conditions *en route* such as border waiting times, customs procedures and controls, road user charges and driver visa requirements.

Waiting time at borders and qualification of border crossing facilities on the Caravan route

The Caravan monitored during its journey, the waiting times at the borders which are indicated in the following map. Marked waiting times at either side of a border is broken down into time wasted due to congestion and time wasted for customs procedures. The longest waiting times were noted in the east of the Black Sea region. The map also shows whether or not a border crossing point has been modernized or not.



BSRH Caravan Waiting Times on Route



Country	RS	ME	AL	GR	BG	RO	MD	UA	RU	AZ	AM	GE	TR
Entry		180	75	60	50	30	30	50	60	120	80	60	100
Exit	45	180	30	20	10	40	30	30	170	120	80	60	

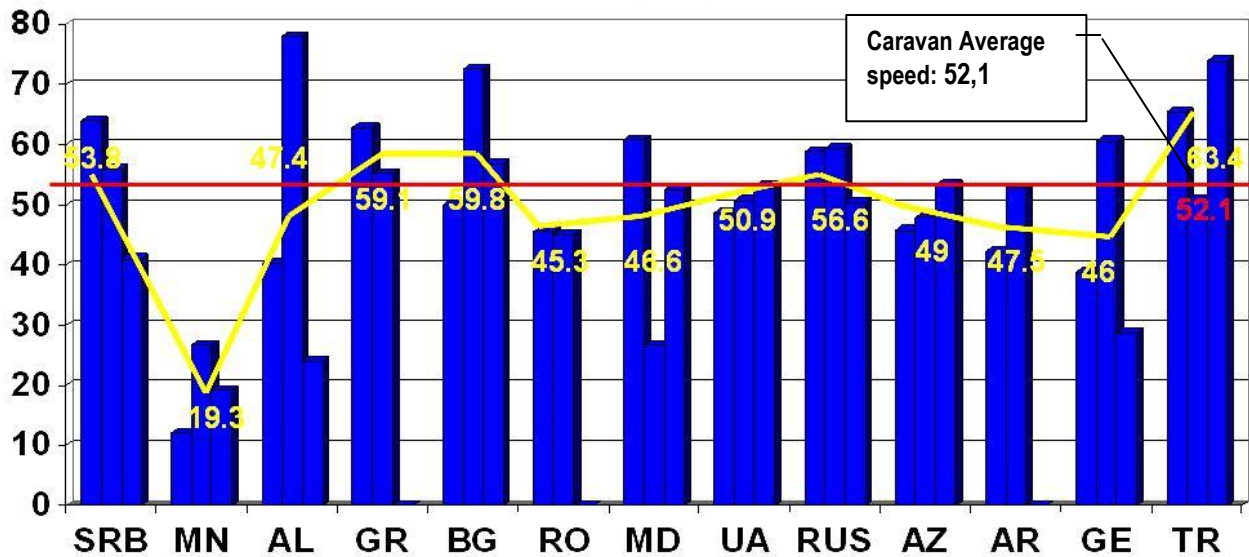
Number of lanes on the Caravan route

The following map shows the number of lanes on the BSRH routes as observed by the Caravan. On important part of the existing infrastructure consists of 2 lane roads although some parts are currently being upgraded to 4 lanes.



Km/h

BSRH Caravan Average Speed on Route



Country	RS	ME	AL	GR	BG	RO	MD	UA	RU	AZ	AM	GE	TR
Section1	64	12	40.3	62.9	50	45.1	60.8	48.7	58.8	46	42.2	50.7	65.5
Section2	56	26.7	78	55.2	72.5	45.5	26.6	50.7	60.8	48	52.8	58.7	50.8
Section3	41.4	19.2	24	-	56.9	-	52.4	53.2	50.1	53	-	28.7	73.9
Country Average	53.8	19.3	47.4	59.1	59.8	45.3	46.6	50.9	56.6	49	47.5	46	63.4
Country/Caravan	1.03	0.37	0.90	1.13	1.14	0.86	0.89	0.97	1.08	0.94	0.91	0.88	1.21

Economic costs of physical and non-physical barriers in road transport in the BSEC region.

On behalf of the BSEC-URTA, NEA Transport research and training in the Netherlands has made an assessment of the economic costs related to physical and non-physical barriers to goods road transport in the Black Sea area on the basis of the BSRH Caravan findings.

The barriers identified in the assessment include border delays caused by congestion and administrative procedures, transport permits needed to carry out road goods transport in the region, and visa requirements for drivers.

The costs related to border delays include operational costs (vehicles and personnel), standard business costs (inventory, depreciation, production) as well as business opportunity costs. The costs related to the bilateral transport permit systems in the region include the costs of the transport permits as well as administrative costs of companies. The costs related to visas include the costs of the visa and the administrative costs for companies.

The findings of the Black Sea Ring Highway Caravan were complemented by the related BSEC-URTA statistics, transport studies and the IRU information on waiting times at borders.

Economic costs of border delays for road goods transport

Direct costs for goods transport related to border delays are higher transport costs, in terms of time related vehicle and personnel costs. Indirect costs related to border delays consists of opportunities to reorganize distribution and logistics processes. These opportunities, especially in the fields of depot structures and inventory size, are now lost, due to longer and maybe even more important, unreliable transport times. Earlier studies¹ show that on average, total (direct and indirect) costs of barriers within road transport are about twice the direct costs.

On the basis of earlier studies on operational costs of European hauliers² the average operational costs of waiting time for hauliers active in the region is estimated at € 23.5 per hour. Given the more than 2 million trips within the region in 2006, the total waiting time at borders in the region is estimated at more than 4.4 million hours. The following table shows the results:

Direct costs of waiting time at borders in the BSEC region	€ 104 million
Total costs (direct + indirect) of waiting time at borders in the BSEC region	€ 208 million

Economic costs of transport permits

There are complex systems of transport permits required to make trips in the Black Sea region based on the results of bilateral negotiations between the countries involved. Many countries request trip permits from foreign hauliers, varying from bilateral permits to transit permits and third country permits, in some cases valid for one trip, in other cases valid for a certain period of time.

These permits have to be purchased by hauliers, with prices ranging from € 5 up to € 100. The direct costs associated with the permit systems include the costs of purchasing the permits and the related administrative costs. Indirect costs include the costs for the lacking of permits in some countries which may lead to a situation in which certain transports are not carried out. The indirect costs have not been calculated.

¹ Economic Cost of Barriers to Road Transport, Hague Consulting Group, 1998

² Cost comparison and cost developments in the European road haulage sector, NEA Transport research and training, 2007

Based on the number of trips made in the region in 2006, the average price of transport permits, and an estimated 10 % for administrative costs, the direct costs related to transport trip permits can be estimated at:

Direct costs of transport trip permits	€ 11 million
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Economic costs of visa requirements and procedures

Additional to the complex transport permit systems in the Black Sea region there are also complex visa systems for truck drivers. Requirements for obtaining visas vary greatly per country, as do procedures and especially the amount of time needed to acquire a visa, type of visa and visa costs.

Direct costs related to the visa systems include the costs of the visa themselves and the related administrative costs. Indirect costs include costs associated with delays in obtaining a visa and often complex procedures which in many cases interfere directly with the execution of transports. Indirect costs have not been calculated.

Direct costs of visas for drivers	€ 10 million
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Principal conclusions

Barriers in the form of border delays, visa requirements and procedures and the current bilateral transport permit systems account for a sizeable component of freight expenditure. Summarizing for the Black Sea area, the costs of these barriers are estimated by the NEA transport research and training, at:

Total costs (direct + indirect) of waiting time at borders in the BSEC region	€ 208 million
Direct costs of transport trip permits	€ 11 million
Direct costs of visa for drivers	€ 10 million
Total costs	€ 229 million

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