



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

REP/WP04/GA10/06

Istanbul, 12 June 2006

**REPORT OF THE MEETING OF THE *AD HOC* WORKING PARTY
ON DEVELOPMENT OF THE ECMT QUOTA SYSTEM
IN THE BSEC REGION**

BSEC-URTA International Secretariat, Istanbul - TURKEY
Monday, 12 June 2006, at 10:30 hrs

1. The Meeting of the Ad Hoc Working Party on Development of the ECMT Quota System in the BSEC Region (WP.04) was held in Istanbul on 12 June 2006.
2. The following representatives of BSEC-URTA Member Associations attended the Meeting:
Mr. Ghennadie Taulean (AITA, Moldova)
Mr. Manuel Triffanciuc (ARTRI, Romania)
Ms. Evren Bingol (UND, Turkey)
Ms. Elif Sevim (UND, Turkey)
Mr. Yaroslav Kryzhanovskiy (AIRCU, Ukraine)
3. The representatives of the BSEC-URTA International Secretariat also participated in the Meeting.
4. BSEC-URTA Secretary General Mr. Haydar Ozkan welcomed participants of the Meeting. In his speech he emphasized the related decision of the Ninth Meeting of the General Assembly to establish a Working Party with the task to prepare a strategy framework document regarding an introduction for interested BSEC Member States of additional quota within the framework of the ECMT Multilateral Quota System, to each other and on a voluntary basis, and shared some ideas on this matter.
5. The draft agenda of the Meeting (DOC/WP04/AG/06) was presented by Mr. Adrian Albu and was adopted by the Ad Hoc Working Party.
6. Mr. Adrian Albu presented statistical data about trade and transport in the BSEC region, use of ECMT multilateral quota licenses as well as latest developments about the ECMT Multilateral Quota System.
7. The WP.4 took note of the following principles for a long term evolution of the Multilateral Quota System as mentioned in the document of the Meeting of the Council of the ECMT Ministers held in Moscow on 24-25 June 2006 on Reforming of the Quota as from 1 January 2006 (CEMT/CM(2005)4_Final):
 - The ECMT quota is an instrument to integrate transport markets and to contribute to a move from a bilateral system towards a multilateral one;
 - Distribution of the licenses should be based on real needs and efficient use;
 - A full liberalization of the European road transport market is foreseen to be completed by 2020;
8. Based on statistical data, the WP.04 noted a constant increase of foreign trade of the BSEC region, including the intra-BSEC trade.
9. Accordingly, the WP.04 considered that there will be a further demand for road transport services and therefore for more ECMT licenses in the BSEC region, which will also be used for transport operations starting and ending within the BSEC region.

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(BSEC-URTA)**

10. Since no further increase in ECMT quota is expected by 2008-2010, the WP.04 agreed that such an increasing demand could be met better by the industry through introduction of a regional system using the ECMT model where BSEC countries grant between them, additional ECMT licenses on a voluntary basis.
11. If such a development will be supported by the BSEC Governments and the ECMT, WP.04 suggested that the BSEC Member States, which would like to take part in such a voluntary multilateral initiative, should be able to target a percentage of the road transport operations, which begin and end within the BSEC region, to be covered and thus liberalized. In this regard, the WP.04 recommended that the target percentage should be between 5-10% of road transport operations, which begin and end within the BSEC region, for the first year, if such initiative will have been approved by all related parties.
12. The WP.04 also suggested that the target percentage should be increased on a yearly basis so that the regional transport operations can be liberalized fully within a time framework. In this context, the WP.04 proposed year 2016 as the target year for a liberal BSEC road transport market.
13. In line with 11 and 12 above, the WP.04 recommended that the additional licenses to be introduced in the next years should be distributed among the BSEC Member States, which took part in this initiative, by ECMT statistics and the trade statistics on regional level.
14. The WP.04 agreed to recommend that the BSEC Member States should use the ECMT criteria, in part or fully, as basis for distribution of regional licenses under the ECMT as explained in 13 above.
15. The WP.04 stressed that such regional ECMT licenses should be valid in the BSEC countries, which agreed to grant additional licenses, only. Thus, it will be ensured that these licenses will not be used in other ECMT countries and they will not be subject to any negative impact at all.
16. The WP.04 agreed that, respecting measures of environmental protection and road safety, additional licenses must be granted to at least EURO 3 vehicles.
17. The abovementioned system should be administered by the ECMT Secretariat, if the latter will agree and be permitted to do so, and has to comply with the ECMT regulations and procedures, in general.
18. The WP.04 made SWOT analysis of the proposed model and identified the followings as a major outcome:
 - a) Weaknesses and threats:
 - EU Member States might oppose with this initiative due to the fact that the voluntary licenses exchanged between the BSEC Member States can allow a similar amount of ECMT licenses to be used by the BSEC operators, in the EU countries instead of BSEC countries;
 - Certain BSEC Member States might oppose this initiative because of their own protection policies, particularly in the case of 3rd country transport operations from their country;
 - b) Strengths and opportunities:
 - Increasing need for the ECMT to expand towards East on every level;
 - BSEC MoU on Facilitation of Road Transport of Goods in the Black Sea Region, which is expected to enter into force within 2006, calls for liberalization of road transport market in the BSEC region;
 - Well established spirit of cooperation between the BSEC Member States and the existence of necessary regional cooperation platforms;
 - Support of the road transport industry;



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- If approved, the system is based on the ECMT experience without need for creating any administrative structures;
- The proposed model is easy to implement;

c) Benefits:

Benefits for the BSEC Region:

- Facilitated road transport, speedy transport operations, reduced transport cost;
- Faster liberalization of the road transport market towards a regional market;
- More efficient protection of environment in the BSEC region since the regional ECMT licenses are proposed to be used by EURO 3 vehicles or above;

Benefits for non-EU BSEC Member States:

- Optimum use of ECMT licenses in the EU transport market;
- Facilitated road transport operations along the BSEC market;

Benefits for EU Member States in the BSEC Region:

- More advantages to offer transport services between the EU and BSEC road transport markets as an "intersection country";

Benefits for the EU Member States:

- Reduced demand for increase of ECMT basic quota;

Benefits for the ECMT:

- Creation of a regional model that can be promoted in Central Asia, Middle East and Far East economies later.

19. This Report was adopted by the members of the Ad Hoc Working Party on Development of the ECMT Quota System in the BSEC Region, unanimously.

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