

2.2 ROAD TRANSPORT IS A MEANS OF PRODUCTION, NOT JUST THE DELIVERY OF GOODS

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IRU – the world road transport organisation – gives voice to the interests of the road transport sector. Through its Brussels office, IRU is particularly active in the European Union where it represents the interests of hundreds of thousands of road transport operators. IRU engage directly with European regulators and industry stakeholders to ensure that EU policy initiatives and legislation provide a sound operating environment for commercial road freight and passenger transport in Europe.

Road transport is often mischaracterised as ‘first mile’ and ‘last mile’ deliveries, but this understanding ignores the role of our industry at every other stage of the global production cycle. Commercial road transport is the means by which national industries and international manufacturers gather together the resources, parts, and labour needed every day for the European economy to function. As an illustration, the production cycle of one cup of coffee requires the involvement of 29 companies from 18 countries. An iPhone: 781 companies from 31 countries. An automobile: more than 10,000 suppliers from dozens of countries.

Road transport is the backbone of an interconnected European economy. A brief examination of the sector proves this: with 70% of overland freight being transported by road and a 60% projected growth of freight volumes by 2050, commercial road transport is the cornerstone of our globalised market. Furthermore, the commercial road transport sector alone employs nearly 11 million people directly (accounting for 5% of total EU employment). Efficient and affordable road transport is therefore an irreplaceable means of production.

Policymakers must keep this sense of context in mind in order to avoid mistakenly penalising production. The content of the recent European Commission (EC) proposal on road user charging or toll roads is an example. This proposal should have been an opportunity to establish a fair road user charging system by guaranteeing a level playing field between different modes and reinvesting revenue in the road sector. In this way, the EC could incentivise cleaner, more efficient road transport and better infrastructure. Making road transport more expensive, where it already more than sufficiently pays its way, would mistakenly drive up the cost of production. Take vehicle logistics as an example: for every cent penalty on road transport, a car with its 10,000 suppliers would cost 100 Euro more.

The EC also proposes to include ‘congestion’ as an external cost. Operators understand that congestion costs are already internalised by all road users via loss of time and resources, but it is crucial to point out that efficient commercial road transport ameliorates congestion. It would actually take more than 500 private cars to deliver the goods carried by a single freight truck to the average-sized supermarket, and it would take more than 30 of those private cars to match the passenger capacity of a single intercity coach. Must one even ask the question of who is actually to blame for city congestion? We should ask ourselves, as an industry, if all legislative proposals by the European Commission are aiming in the right direction – and in the same direction. Positive efforts made need to be acknowledged, and are welcomed by our industry, but the latest developments in the European Parliament reveal that we still have far to go.