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**Opening speech to the hearing on the impact of the economic recession on the road transport market**

**Brussels, Monday 20 April 2009**

*Check against delivery*

Ladies and gentlemen,  
dear Members of Parliament,

I'm very pleased to welcome you here today to this very topical meeting. The current economic upheaval is hitting European economies very hard. The Transport Ministers have had a first exchange of views on the effect on the transport sector during the Transport Council on 30 March 2009 and it has become clear that transport, and road transport, is one the first sectors to feel its effects.

**1. Road transport is hit by the crisis but the extent of the downturn in the sector is still unclear to us.**

The first figures we have received indicate a clear downturn in all economic sectors since the third quarter of 2008, but the full extent of the crisis in the field of road transport remains unclear. Road transport is one of the major drivers for economic growth in the EU, which makes the first figures describing the impact of

the crisis on the sector all the more worrying: small businesses, which are the strength of the road transport sector during economic booms, but also larger firms are finding it difficult to make ends meet when they are not suffering full on bankruptcies, and are forced to cut jobs. For the moment, it is still unclear how long the recession will last. But until it is over, it is essential to put in place a coordinated response to help the transport sector face these challenges. The Commission has already had a meeting with the air transport stakeholders. Given the structure of the road haulage sector and its vulnerability to the current crisis, it was obvious that a similar meeting with the road transport sector was needed.

## **2. Various measures have already been taken at EU level to counteract the crisis.**

- Macroeconomic measures have been adopted by governments, the EU and even the G20 to boost employment, confidence and growth. The European Parliament also contributed to it since it adopted a report on 11 March on the European Recovery Plan proposed by the Commission, which provides a fiscal stimulus against recession and proposes to bring forward resources from 2010 to 2009 to invest in transport infrastructure in the framework of the TEN-T programme. Investments in Trans-European Energy and Transport Networks will also help

encourage growth, and a list of priority projects has already been defined for the field of energy.

- A consensus amongst the most influential global leaders is emerging to invest public funds for economic recovery in "green growth" measures such as renewable energy technologies. Why not support similar schemes in the field of transport?

The EU has started to make an effort to concentrate financial aids where they are most needed through its various existing programmes and the European Investment Bank – whose representative I would like to welcome. Just from the side of DG TREN, we are for instance accelerating the allocation of 1 billion Euro before the Summer to the trans-European network.

You should also know that the Community rules on state aid give plenty of possibilities to Member States that could be better exploited. They allow Member States to grant aids to undertakings to introduce more Euro 5 and soon Euro 6 vehicles into their fleets, an important step towards making the road transport sector greener and more competitive. They also allow for support for training measures, and simplified procedures for support to SMEs. The *de minimis* rules have even been recently revised to allow help to companies directly affected by the economic crisis without notification to the Commission.

- The adoption of structural measures to increase the sector's consolidation has been accelerated to help the sector become more resistant to external shocks. The recently adopted new *road package* will simplify the Community rules governing access to market and occupation, including the renewal of the Community license, and increase the sector's professionalisation. Discussions on the *working time directive* will also help improve the controllability of working-time rules by strengthening the framework for "false" self-employed and avoiding useless red tape for genuine self-employed workers.

### **3. Short term anti-crisis measures must not prevent the preparation of the future of road transport**

The crisis is an uncertain time but it must not cloud the underlying vision of a modern, sustainable transport system. Even short-term measures to relieve the effects of the crisis on the economy need to be compatible with long-term strategies. This means several things:

- Protectionist measures should be discouraged: Though some organisations have called for the cabotage safeguard clause or Regulation 3916/90 to be triggered, closing transport markets

to new or non resident hauliers is not an answer and will only delay a real answer to the crisis. In the long-run, these measures work against market integration, and are counter-productive.

- Measures which aim to prepare the post-crisis period need to be kept on track. This includes measures to green transport and internalise external costs, such as the Greening Transport package. Our economies will recover in a few years but the environmental damage we are causing and our dependence to oil will take generations to repair.
- The crisis may create short term challenges but will also creates new constraints which will have to be faced in the not so distant future: recovery plans will weigh on public debt, which may later on translate into extra taxes or reduced public financing for transport infrastructures. We will need new financing and pricing solutions to cope with these future new challenges.

On the contrary, we need to create a win-win situation and this period should be the right time to accelerate the modernisation of transport and transport public policies and to start afresh on sound foundations. The support available from Member States, the EU and other sources offers new opportunities for

sustainable growth, but also to make the necessary management and commercial changes to remain competitive in the future.

#### **4. Objectives of today's meeting**

Today's hearing is an opportunity for us to meet and exchange information and facts from different points of view.

It will also help clarify some misunderstandings on the possibilities which exist in the face of the crisis: though European coordination is needed on a lot of issues, subsidiarity is key in defining relevant and effective responses. In other words be realistic about what the Commission can do - and is empowered to do.

I also hope that today's discussion will not give way to any amalgams between the current crisis and on-going political negotiations which are not directly related to today's topic and on which we know views might diverge. I am counting on you and calling on your sense of collective responsibility to participate in today's debates in good faith.

Ladies and gentlemen, I would like to thank you again for making the journey here today and look forward to a lively and fruitful discussion and I now give the floor to Mr Grosch from the European Parliament.

