

FACT SHEET NO.: 4 / 1

PERFORMED BY: PRO

A GENERAL INFORMATION		
A 1	Category	Internal Markets
A 2	Subcategory	Internal Market (intramodal) - road
A 3	Transport policy measure (TPM)	Elimination of restrictions on cabotage
A 4	Description of TPM	<p>Cabotage concerns the transport of passengers and goods within one country by a haulier / carrier from another country. At the moment there are restrictions in the EU concerning these transports. [1] [4] [10] [13] Hauliers who carry out cabotage operations must hold a Community authorisation. This means that they must be established in an EEA state, and that they must fulfil the requirements for access to the profession. For hauliers from Bulgaria and Romania prohibition of cabotage applies until 1 January 2012. [13]</p> <p>Road freight cabotage transport can be performed by hauliers which hold a community licence, whose driver holds a driver attestation if non-EU national and the cabotage transport is subsequent to an international delivery. With this prerequisites, the hauliers can undertake up to three cabotage operations in seven days, these three cabotage operations may also be carried out in EU countries that the haulier passes in transit (transit-cabotage). In this case the delivery must be carried out within three days after entering the transit country. "National road haulage services undertaken in the host EU country by a non-resident haulier will only be subject to this regulation, if the haulier can produce proof of the incoming international carriage and of each consecutive cabotage operation undertaken." [5] The tonne-km generated by EU haulier in cabotage operations increased by 17% in 2010 compared to 2009 and accounts now, after the liberalisation of the cabotage legislation in 2009 [1], for 1.2% of the total road freight activities in the EU. [2]</p> <p>For road passenger transport a Community licence is needed as well. [4] Cabotage in a host EU country is authorised, if national road passenger services are carried out on a temporary basis, and the picking up and setting down of passengers within the same EU country in the course of a regular international service is not the principle purpose of the service. [6]</p>
A 5	Implementation examples	Benelux: Cabotage is allowed without restrictions in Belgium, Luxemburg and the Netherlands for the hauliers of the respective countries. France: 4.3 billion tkm are performed by foreign vehicles while French operators perform only 570 million tkm. [8, p.58] Germany: the ratio of foreign vs. German operators is 3.2 vs. 2.3 billion tkm. [8, p.58] [10]
A 6	Objectives of TPM	The TPM aims to establish a single European road transport market by eliminating the restrictions on cabotage, and thus full liberalization.
A 7	Key changes concerning:	
A 7.1	- Choice of transport mode / Multimodality:	Likely affected due to price competition / profitability within road transport services also affecting other transport modes.
A 7.2	- Origin and/or destination of trip:	
A 7.3	- Trip frequency:	If the cabotage restrictions are abolished it is likely that the trip frequency will decrease. [14]
A 7.4	- Choice of route:	No direct (key) changes (due to) consideration of the same demand for transport services
A 7.5	- Timing (day, hour):	No direct (key) changes (due to) consideration of the same demand for transport services
A 7.6	- Occupancy rate / Loading factor:	More efficient use of resources. [3] There are sometimes incredible inefficiencies, due to the cabotage rules, currently almost a quarter of all vehicle-km of heavy goods vehicles in the EU involve an empty vehicle. By eliminating the cabotage rules the loading factor improves because of the option of transit-cabotage. [16]
A 7.7	- Energy efficiency / Energy usage:	Less energy usage and higher energy efficiency due to higher occupancy rate and loading factor.
A 8	Main source	[8]

B IMPACTS																																																			
B 1	OVERVIEW ON IMPACTS	<table border="1"> <thead> <tr> <th colspan="13">AFFECTED SEGMENTS</th> <th colspan="2">Geographical level</th> <th colspan="2">Source</th> </tr> <tr> <th colspan="5">Passengers</th> <th colspan="7">Transport operators</th> <th rowspan="2">Employees in transport</th> <th rowspan="2">Residents</th> <th rowspan="2">Economy</th> <th rowspan="2">Public bodies</th> <th rowspan="2">Society</th> <th rowspan="2">1st level</th> <th rowspan="2">2nd level</th> <th rowspan="2">Source of assessment</th> <th rowspan="2">Spatial level of source</th> </tr> <tr> <th>Road</th> <th>Rail</th> <th>Air</th> <th>Public transport</th> <th>Slow modes</th> <th>Road</th> <th>Rail</th> <th>IWW</th> <th>Air</th> <th>Maritime</th> <th>Public transport</th> </tr> </thead> </table>	AFFECTED SEGMENTS													Geographical level		Source		Passengers					Transport operators							Employees in transport	Residents	Economy	Public bodies	Society	1st level	2nd level	Source of assessment	Spatial level of source	Road	Rail	Air	Public transport	Slow modes	Road	Rail	IWW	Air	Maritime	Public transport
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B 1.1	Summary	<p>- The reduced mileage has positive effects for all road users e.g. concerning health and safety.</p> <p>- The liberalization of cabotage fell in a period of economic weakness. Already in the course of the 2nd half of 2008, new orders have declined markedly in the haulage market. As a result of the cyclical decline in demand in the market, an increasing cargo space capacity shows that there are signs of renewed intensification of price and service competition. Example Germany. It is likely that the level of competition on the German domestic market will increase. It can be expected that companies from new EU Member States strive increasingly to domestic carriage in Germany. Consequently they will increase national regional- and long-distance traffic triggering price competition.[17]</p> <p>- The impact of the measure on transport operators and service providers mainly depends on the country they are located, so does the impact on the workers in the transport sector and the public bodies.</p>																																																	
B 1.2	Summary: Income groups																																																		
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B 1.4	Summary: Disabled people																																																		
B 1.5	Summary: Gender groups																																																		
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B 2.1	Travel or transport time																																																		
B 2.2	Risk of congestion	↓																																																	
B 2.3	Vehicle mileage	↓																																																	
B 2.4	Service and comfort																																																		
B 2.I	Overall impacts on social groups																																																		
B 2.II	Implementation phase																																																		
B 2.III	Operation phase	- Less vehicle-kilometres without load (empty runnings) [3] and accordingly total vehicle kilometres. [8]																																																	
B 2.IV	Summary / comments concerning the main impacts	- Reduction of vehicle mileage and thus of congestion risk. [8] - The elimination of restrictions on cabotage only helps to reduce vehicle mileage, if the cabotage trips are performed on the return trip of an international delivery. [EE]																																																	
B 2.V	Quantification of impacts	The 2010 cabotage performance of 1.2 billion vkm avoids 2.5% of empty running corresponding to 0.6% of total (laden and empty) mileage in the EU-27 and roughly 1% of domestic (national) traffic performance. [8, p. 57] [see B 5.V]																																																	

B 3	ECONOMIC IMPACTS	AFFECTED SEGMENTS													Geographical level		Source					
		Passengers					Transport operators								1st level	2nd level	Source of assessment	Spatial level of source				
		Road	Rail	Air	Public transport	Slow modes	Road	Rail	IWW	Air	Maritime	Public transport	Employees in transport	Residents					Economy	Public bodies	Society	
B 3.1	Transport costs																		I	N	S	N
B 3.2	Private income / commercial turn over																		N	I	S	I
B 3.3	Revenues in the transport sector																		N	I	S	N
B 3.4	Sectoral competitiveness																		N	I	S	N
B 3.5	Spatial competitiveness																		I	N	S	
B 3.6	Housing expenditures																					
B 3.7	Insurance costs																					
B 3.8	Health service costs																					
B 3.9	Public authorities & adm. burdens on businesses																		N	I	E	
B 3.10	Public income (e.g.: taxes, charges)																		N	I	E	
B 3.11	Third countries and international relations																					
B 3.I	Overall impacts on social groups																					
B 3.II	Implementation phase																					
B 3.III	Operation phase																					
B 3.IV	Summary / comments concerning the main impacts	<p>- Cabotage may encourage the operators from low labour costs countries to participate, thus reducing the overall income of the workers in the transport sector by increased competition among operators and within the road freight market. This competition which mainly stem from companies based in low-wage countries, can lead to distortions due to large variations in national social and fiscal conditions. This could also lead to market disturbances in individual countries, in particular in high-wage transit countries. [8].</p> <p>- The location of the transport operator and service provider affects the public income in the different countries concerning taxes. Depending on the country, the tax income rises or is reduced, depending on origin of operating companies.</p> <p>- The elimination of restrictions have a positive effect on the administrative burdens.</p> <p>- Apart from the labour costs, distortions arise because of differences in tax regimes, including the different taxation of fuel. [9]</p> <p>- In terms of spatial competitiveness, countries at the periphery of Europe are disadvantaged. [8] However, while France has seen the level of cabotage (mio. tkm) increase since 2004, Germany and the UK have seen falls. The general tendency has been for cabotage to increase, with substantial rises since 2004 for Finland, the Czech Republic, Greece, Sweden and Denmark. Even the newer Member States saw rises in cabotage performed in their country. Overall, this is a healthy sign of growing competition in an important and newly opened market area [15].</p> <p>- In some countries (e.g. the UK), domestic operators have reduced revenues due to the increased competition. [9] Reduced unit transport costs lead to smaller profit margins of road transport hauliers. [8]</p> <p>- Consumers benefit from reduced costs / prices. This also be caused by lower price expectations of the buyers of transport services (passenger & freight transport). [9]</p> <p>- In Germany cabotage has not led to a significant increase in competition. No negative impacts for operators are expected. [10, p. 21/22]</p> <p>3rd level impact: It should be noted that the shift towards low labour cost countries also has a secondary effect, as the wages of these lorry drivers are expected to rise over time. As a consequence, a road freight transporter will need to operate from other low income countries that are located even further away. This may lead to extra costs and additional empty vehicle mileage. [EE]</p>																				
B 3.V	Quantification of impacts																					
B 4	SOCIAL IMPACTS	AFFECTED SEGMENTS													Geographical level		Source					
B 4.1	Health (incl. well-being)																					
B 4.2	Safety																		I	N	S	I
B 4.3	Crime, terrorism and security																					
B 4.4	Accessibility of transport systems																					
B 4.5	Social inclusion, equality & opportunities																					
B 4.6	Standards and rights (related to job quality)																					
B 4.7	Employment and labour markets																		I	N	S	N
B 4.8	Cultural heritage / culture																					
B 4.I	Overall impacts on social groups																					
B 4.II	Implementation phase																					
B 4.III	Operation phase																					
B 4.IV	Summary / comments concerning the main impacts	<p>- Increased numbers of insolvencies of road hauliers and unemployment among lorry drivers, example Austria [12, p.27-36]</p> <p>- Reduced vehicle mileages and thus less road accidents. [8]</p>																				
B 4.V	Quantification of impacts	<p>- Estimation: The reduction of 3.6 billion truck kilometres in 2050 corresponds to a reduction of about 60 fatalities. [8]</p>																				
B 5	ENVIRONMENTAL IMPACTS	AFFECTED SEGMENTS													Geographical level		Source					
B 5.1	Air pollutants																		R	I	S / EE	I
B 5.2	Noise emissions																		L		E	
B 5.3	Visual quality of the landscape																					
B 5.4	Land use																					
B 5.5	Climate																		I		S / EE	I
B 5.6	Renewable or non-renewable resources																					
B 5.I	Overall impacts on social groups																					
B 5.II	Implementation phase																					
B 5.III	Operation phase																					
B 5.IV	Summary / comments concerning the main impacts	<p>- The reduction of vehicle mileage results in a reduction of air pollutants and has therefore a positive effect on the climate [8, p.58] [EE]. Although the effect of cabotage on the CO₂-Emissions is small compared to domestic and bilateral transports, it is still has significant influence.[7]</p>																				
B 5.V	Quantification of impacts	<p>Assumed change in EU, reference year 2008</p> <p>Situation 1: Some liberation of cabotage, but still restrictions (current situation [1]): Estimated increase of cabotage: from 1,2% up to 2,4%. Upper limit: cabotage increase: 2,4%, potential decrease of empty vehicle kilometres: 0,7%, reduction of CO₂- emissions up to 0,5% of total road transport. (Taking international road transport as a reference, this reduction amounts to 2,5% in vehicle kilometres and to 2,0% in CO₂-emissions.)</p> <p>Situation 2: Further liberalisation of cabotage (as an add-on to an international trip): increase from 1,2% to a maximum of 4,8%, (comparable with the share of cabotage in Belgium)</p> <p>Upper limit: cabotage increase: 4,8%;potential decrease of vehicle kilometres: up to 1,9%; reduction of CO₂ – emissions up to 1,6%. (Taking international road transport as a reference, these figures amount to 7,8% and 6,2%,respectively.) [7]</p> <p>Estimation: The reduction of 3.6 billion vkm per year in 2050 corresponds to a reduction of CO₂ in the order of 2.8 million tonnes (without upstream emissions). [8]</p>																				

C REFERENCES	
C 1	Other TPMs of this subcategory
C 2	<p>References</p> <p>International [1] European Commission (2009): REGULATION (EC) No 1072/2009 of the European Parliament and the Council of 21 October 2009 on common rules for access to the international road haulage market (recast). Brussels. [2] European Commission (2011): Road Freight Transport Vademecum - 2010 Report, Market trends and structure of the road haulage sector in the EU in 2010. Brussels. [3] Innovation Processes in Surface Transport (InnoSuTra) (2010): Preliminary Innovation Report (PIR), Deliverable D 2.1 [4] European Commission (2009): REGULATION (EC) No 1073/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international market for coach and bus services, and amending Regulation (EC) No 561/2006 (recast) [5] European Commission (last updated: 13.12.2010): Summaries of EU legislation, Common rules for access to the international road haulage market. http://europa.eu/legislation_summaries/transport/road_transport/tr0038_en.htm (accessed 09.01.2012) [6] European Commission (last updated: 22.12.2010): Summaries of EU legislation, Common rules for access to the international market for coach and bus services. http://europa.eu/legislation_summaries/internal_market/single_market_services/tr0039_en.htm [8] Vellay, C. Volny, M. Winder, A. (2010): Several scenarios of long distance freight transport by 2050 and their impact on environmental emissions, dependence on fossil fuels, congestions and accidents. Deliverable 6.1 of FREIGHTVISION - Vision and Action Plans for European Freight Transport until 2050. Funded by the European Commission 7th RTD Programme, Contract No. FP7-SST-2007-TREN-1. [15] Eurostat (2012): Road Cabotage market. http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Competitiveness_in_EU_road_freight_transport#Increasing_competition_in_the_cabotage_market (16.10.2012). [16] European Transport Forum (2012): Why Europe Wants to Ease Road Haulage Rules. http://europeantransportforum.eu/transport-efficiency/2-transport-efficiency/158-road-haulage-rules.pdf. National [7] Kennisinstituut voor Mobiliteitsbeleid (2010): Cabotage en CO2-reductie, Notitie met een eerste verkenning naar de potentiële reductie van CO2 door cabotage. Netherlands [9] Department for Transport (2010): Impact Assessment of the EC's Three Regulations on International Road Transport, IA No: DFT-2010-39; UK [10] Bundesamt für Güterverkehr (2012). Marktbeobachtung Güterverkehr. EU-Osterweiterung. Mögliche Auswirkungen der Kabotagefreigabe für Bulgarien und Rumänien zum 01. Januar 2012 auf den deutschen Güterkraftverkehrsmarkt. [11] Bundesministerium für Verkehr, Innovation und Technologie (2010). Informationsblatt zur Kabotage in Österreich. http://www.bmvit.gv.at/verkehr/strasse/personengueter/kabotage/index.html [12] Institut für Transportwirtschaft und Logistik. Wirtschaftsuniversität Wien (2009). „Untersuchung der Bedeutung der Ausfluggung von Fahrzeugen und Darstellung der Auswirkungen auf die österreichische Volkswirtschaft“. http://www.wu.ac.at/itl/forschung/forschungsberichte/endbericht_ausfluggung_endfassung.pdf [13] Anne-Lise Junge-Jensen (2011) Circular concerning cabotage in goods transport by road, 1-2. [14] European Commission - DG TREN (2006): Study on Road Cabotage in the freight transport market, Final report Framework Contract TREN/A1/56-2004 Lot 2: Economic assistance activities 10. [17] Bundesamt für Güterverkehr (2009): BAG – Marktbeobachtung: Bericht zur bevorstehenden Freigabe der Kabotage für sieben EU-Mitgliedstaaten. http://www.bag.bund.de/SharedDocs/Downloads/DE/Marktbeobachtung/Sonderberichte/Sonderber_Beendigung_Kabotageverbots.pdf?__blob=publicationFile.</p>