

European Communities

EUROPEAN PARLIAMENT

Working Documents

1983-1984

28 October 1983

DOCUMENT 1-920/83

Report

drawn up on behalf of the Committee on Transport

on relations between the European Community and
Yugoslavia in the transport sector

Rapporteur: Mr K: KALOYANNIS

PE 86.183/fin.

By letter of 7 October 1981, the Committee on Transport requested authorization to draw up a report on relations between the European Community and Yugoslavia in the transport sector.

By letter of 25 November 1981, the committee was authorized to draw up a report on this subject.

On 29 January 1982, the Committee on Transport appointed Mr MODIANO rapporteur. On 26 January 1983, the Committee on Transport decided to appoint Mr KALOYANNIS rapporteur in place of Mr MODIANO.

The Committee on Transport considered the draft report at its meetings of 17 February 1983, 16 March 1983, 1 June 1983, 12 July 1983, 22 September 1983 and 18 October 1983. At the last-mentioned meeting, it adopted the motion for a resolution as a whole unanimously.

The following took part in the vote: Mr SEEFELD, chairman; Mr KALOYANNIS, vice-chairman and rapporteur; Mr BAUDIS; Mr BUTTAFUOCO; Mr CARDIA; Mr GABERT; Mr GATTO; Lord HARMAR-NICHOLLS; Mr KLINKENBORG; Mr LAGAKOS; Mr MARTIN; Mr RIPA DI MEANA and Mrs SCAMARONI.

The report was tabled on 21 October 1983.

C O N T E N T S

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	
I. Foreword	11
II. The importance of Yugoslavia for the transit of Community goods	12
III. Transit costs for Greek goods	16
III (a) Road-use charges	16
III (b),(c),(d) Transport costs and time, and capital depreciation	17
IV. Difficulties arising from Yugoslavia's transport infrastructures	17
V. Other endemic difficulties	18
VI. Alternative solutions	20
VI(a) Combined transport systems	20
ANNEX I : Road transport network	
ANNEX II : Railway network	
ANNEX III : Main transit routes	

The Committee on Transport hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on relations between the European Community and Yugoslavia in the transport sector.

The European Parliament,

- having regard to Rule 102 of its Rules of Procedure,
 - having regard to the report of the Committee on Transport (Doc. 1-920/83),
- A. having regard to the report from the Commission of the European Communities to the Council on problems arising from the transit of goods to or from the Community through certain non-member countries (COM(81) 406 final),
 - B. having regard to its resolution of 20 December 1982 on the report by Mr BUTTAFUOCO (Doc. 1-792/82) on problems arising from the transit of goods to or from the Community through Austria, Switzerland and Yugoslavia¹ and its previous resolutions on problems arising from the transit of goods,²
 - C. having regard to its resolution of 9 March 1982 on the report by Mr CAROSSINO (Doc. 1-996/81) on the common transport policy,³
 - D. having regard to the Commission communication to the Council concerning 'a common transport policy - overland transport' (COM(83) 58 final-Doc. 1349/82)
 - E. having regard to the economic cooperation agreement and to the financial protocol signed between the European Communities and Yugoslavia;
1. Broadly endorses the objectives set out in Commission report (COM(81) 406 final but takes the view that a global solution must be sought to the totality of the problems connected with transit through Yugoslavia and:

¹ OJ No. C 68, 14 March 1983, p. 112

² OJ No. C 100, 3 May 1976, p.12

³ OJ No. C 87, 5 April 1982, p. 42

I. With regard to transit in a general context

2. Believes that transit is the inevitable consequence of international transportation of goods and must be based on the principle of conciliation on equal terms but also on the rational organization of the means of transport;
3. Stresses that the problem of Community transit is linked to the aims of the EEC Treaty, namely cheap, fast transport, fair competition and integration of the internal market and, therefore, that the means of transport must be selected on the basis of optimal exploitation of existing potential, having regard to efficiency and Community policy towards third countries;
4. Considers transit costs (construction and maintenance of roads, communications, vehicle running costs, effects on the environment, etc.) to be particularly high and, furthermore, that Yugoslavia possesses a distinctly low level of transport infrastructure;
5. Recalls that the socio-economic impact of a new or improved transport infrastructure in serving the transit trade is largely dependent on two factors:
 - a. the creation of economic opportunities
 - b. the response to these economic opportunities

As regards the latter, both Greece and Yugoslavia have the requisite human potential within their countries but the creation of economic opportunities is contingent upon the quality (technological standard) and size of resources invested in the transport systems.

II. With regard to the importance of Yugoslavia

6. Notes that Yugoslavia is a key country in Community transit trade for the following reasons:
 - a. the accession of Greece to the Community,
 - b. the close economic ties between the Community and countries in the Middle East and North Africa,
 - c. the forecast increase in intra-Community trade with the progressive abolition of customs duties and the full integration of the Common Market of the Ten;

7. Stresses that, according to data published by the Yugoslav Institute of Economics of Transport⁴, road transit rose by 158.1% in the sixteen years from 1960 to 1976 and that there is an equal volume of rail transit. Believes, however, that in the short term, transit through Yugoslavia cannot be extended indefinitely in view of the condition of its infrastructure and the heavy investment required;
8. Considers that the Community could considerably facilitate transit through Yugoslavia by providing the following economic opportunities:
 - (i) a 1.2% subsidy on the market rate of interest in respect of loans to Yugoslavia from the European Investment Bank (EIB) for projects designed to improve infrastructure for transit trade, and Community aid to assist Yugoslavia with its international loans on the international money market, which would help to offset Yugoslavia's trade deficit with the Community
 - (ii) assuming responsibility for the contents of the containers or pallets for all goods in transit to and from the Community, thereby simplifying all transit documents and formalities for all means of transport;
9. Approves the 200 m ECU credit granted to Yugoslavia by the European Investment Bank for infrastructure projects, though points out that the market rate of interest was charged;

III. With regard to the difficulties of transit through Yugoslavia

10. Points out that the present-day state of transport infrastructure in Yugoslavia is a reflection of the more general economic development of the country, which is that of a less developed economy. The road transport network is limited and is in poor condition. The rail network is restrictive, slow and out-of-date;

⁴ Kirilo Savic, 'Yugoslav Transport', Belgrade 1979

11. Believes that Community transit through non-member countries involves high costs broken down as follows:
 - a. high road-use charges,
 - b. high transport costs owing to the distances involved
 - c. long transport times and
 - d. heavy depreciation of equipment, and stresses that these same factors inhibit access to the market and, consequently, competition.
12. Believes that the Commission would do well to examine the subject of high transit charges and propose solutions either to reduce the charges or to abolish them completely by appropriate provisions in a bid to bring Yugoslavia's transit arrangements into line with the Community system.
13. Stresses that Yugoslavia's refusal to be a co-signatory to the ASOR agreement is detrimental to the Community and supports the Commission's endeavours to convince Yugoslavia of the mutual benefits of the ASOR provisions or to devise a comparable separate agreement based on the principle of 'reciprocity';
14. Takes the view that placing an upper limit on the number of permits for the transport of goods by road and imposing transit quotas constitute a barrier to Community trade;
15. Supports and encourages the Commission in its continuing efforts to extend to Yugoslavia the tariff system applying within the Community for the carriage of coal and steel by rail;
16. Calls for the introduction of provisions to reduce considerably formalities creating delays at Yugoslav borders; the Community could negotiate with third countries free passage for transport and persons in transit (visas) through their territory;

III. With regard to alternative combined transport systems

17. Believes that, if the estimates⁵ that future demand for international transport inside the Community will amount to 1195.5 megatonnes by the year 2000 are even approximately correct, transit traffic is likely to increase at the same rate; transit countries such as Yugoslavia will then be confronted with even greater transport problems, as transit traffic cannot be expanded indefinitely;

⁵ Holford-Walker F. 'Community Transport Policy: an environmentalist view' The County Hall, London 1981

18. Maintains that it is necessary to find alternative solutions such as combined modes of transport, applying the fundamental principle of optimal exploitation of the existing potential, and takes the view that the three mixed transport systems:

- a. piggy back (lorries on trains),
- b. roll-on/roll-off (lorries on ships),
- c. aeroplane/ship combinations

are the most rational solution to the transit problem, provided that they are combined with a programme of structural investment;

19. Stresses that 'unitization' of freight carried by combined forms of transport i.e. carrying the goods in containers, pallets and lighters, presents the following advantages:

- (i) the risk of theft of goods is reduced,
- (ii) tariff fixing and customs procedures are simplified,
- (iii) the costs of packaging and insuring the goods are reduced,
- (iv) loading and unloading points can be decentralized.

and recognizes that promotion of 'unitization' of combined systems of transport requires the active support of the Commission in conjunction with a programme of investment in loading and unloading facilities, port infrastructure and creation of storage facilities by the countries concerned;

20. Maintains that a rational examination of alternative systems of transport must take into account the following factors:

- a. investment in transport and its role as a development factor in the less-developed regions of the Community
- b. Community potential,
- c. the serious shortfall in demand in some transport sectors and
- d. future demand within and development of the transport systems;

21. Recalls its position⁶ in virtue of which it requested the Commission to

⁶ OJ No. C 68, 14 March 1983, p. 112

implement the Council decision of 10 June 1982 concerning the promotion of combined transport systems with two transit countries, Switzerland and Austria, and stresses the need to include Yugoslavia;

22. Requests the Commission in this regard to take due account of the interests of the adjacent Community regions in the negotiations with the third countries concerned and, in particular, of the transport network of the Friuli and Venezia Giulia Region, which should be linked to the new infrastructures for Austria and Yugoslavia that are planned and under construction;
23. Instructs its President to forward this resolution to the Commission, the Council and the parliaments of the Member States and of Yugoslavia.

EXPLANATORY STATEMENTI. Foreword

1. In the detailed report by Mr Antonio BUTTAFUOCO (Doc. 1-792/82) on problems arising from the transit of goods to or from the Community through Austria, Switzerland and Yugoslavia¹, two specific proposals are mentioned : firstly, the position of the Committee on Transport of the European Parliament on the problems existing in Community transport through third countries², and secondly, the undertaking by the Committee on Transport to draw up a separate own-initiative report on relations between the European Community and Yugoslavia in the transport sector (cf Doc. 1-792/82, p. 32).
2. This report therefore supplements the BUTTAFUOCO report, though at the same time avoiding artificially separating off the problems created by the transit of goods through Yugoslavia, Switzerland and Austria on the basis of bilateral negotiations. Your rapporteur believes, on the contrary, that the transit of goods through third countries creates a wide range of problems due to the transit countries' dependence on the Community and vice versa. The only way to find a solution to the problems arising when there is such a complex of points at issue is to take a global approach.
3. The analysis of the problems raised below comes within the context of a Common Community Transport Policy as presented in the report by Mr CAROSSINO (Doc. 1-996/81)³, but is also based on the principle of 'conciliation on equal terms'. A cost-benefit balance must consequently be struck between the Community and any third country.

¹ OJ NO. C 344, 20 December 1982, and COM(81) 406 final.

² Cf GIRAUD report (Doc. 1-500/75), OJ No. C 100, 3 May 1979, p. 12; also SEEFELD report (Doc. 1-512/78), OJ No. C 39, 12 February 1979, p. 16; Oral Question with debate tabled by Mr SEEFELD and others (Doc. 1-298/79)

³ OJ No. C 87, 5 April 1982, p. 42.

II. The importance of Yugoslavia for the transit of Community goods

4. Since Greece joined the Community, Yugoslavia has, of necessity, become the transit country for overland transport between the other nine partners and the new Member State. Yugoslavia is, in addition, a key country in Community transit trade, given the close economic ties which have been created between the Community and Turkey⁴. At the same time, if the HOLFORD-WLAKER estimate⁵ that international transport inside the Community will increase from 394.2 megatonnes in 1974 to 1195.5 megatonnes by the year 2000 is correct, even approximately, then Yugoslavia is a key-stone in Community transit traffic.
5. According to data from the Yugoslav Kirilo Savic Institute, the Community's share of cross-frontier through traffic through Yugoslavia was 73% of foreign vehicles (numbering 9,879,000) in 1976. Specifically, the rise in the number of foreign vehicles attained the incredible figure of 2,480% in the 16 years from 1960. The relevant figures by vehicle category are given in Table 1, and the country-by-country breakdown is given in Table 2.

Table 1
Trans-frontier vehicular traffic (in 1,000s)

	1960	1976	1976/1960
Vehicle entries			
- total	648	19,125	2,951
- foreign	546	13,543	2,480
Passenger vehicles			
- total	441	18,354	4,162
- foreign	400	13,004	3,251
Buses			
- total	16	105	656
- foreign	10	59	590
Two-wheeled vehicles			
- total	157	185	118
- foreign	114	110	96
Lorries			
- total	34	481	1,415
- foreign	22	370	1,682

Source : Kirilo Savic Institute of Economic of Transport, 'Yugoslav Transport', Belgrade 1979

⁴ Cf COM(81) 406 final, p. 13, which gives the Commission's view.

⁵ F. Holford-Walker, 'Community Transport Policy : An Environmentalist View', County Hall, London 1981.

6. Table 2 shows that the percentage of passenger vehicles bound for destinations in Italy and Germany was 98, while lorries accounted for only 1.1% of Community vehicles in transit through Yugoslavia. The high proportion of passenger vehicles is probably due to the increase in Yugoslav tourism rather than to an increase in transit traffic. It should be emphasized that road transit rose by 158.1% in the 16 years from 1960 to 1976.

Table 2

	GB	GR	I	NL	D	B	F
Passenger vehicles			7,800,000		1,900,000		
Heavy Lorries		59,000	49,000				
Lorries	13,000			15,000	28,000	4,000	11,000
Total	13,000	59,000	7,849,000	15,000	1,928,000	4,000	11,000

Source : Kirilo Savic Institute of Economics of Transport, 'Yugoslav Transport', Belgrade 1979

7. It should be noted that road transport accounts for only 25% of the transport sector in Yugoslavia : 30.5% is accounted for by the railways, 11% by shipping, 6% by air transport and 1.6% by inland waterways, in 1975.
8. Rail transit percentages are given in Table 3.

Table 3

Rail transport related to foreign trade

Volume of goods	(in tonnes)		
	1946	1977	% rise from 1946 - 1977
Total	2,349	20,229	861
Exports	190	4,753	2,500
Imports	1,127	8,771	710
Transit	32	6,715	2,094

Source : Kirilo Savic Institute of Economics of Transport, 'Yugoslav Transport', Belgrade 1979

The figure for transit traffic shows an increase linked to, and similar to, the figure for Yugoslav exports (2,094 for transit and 2,500 for exports in a thirty-year period). What must be noted here is that the 6,715 tonnes of transit traffic carried by the Yugoslav Railways is not necessarily Community transit traffic. The breakdown by the Kirilo Savic

Institute does not list Community transit traffic separately, which leaves the reader to decide the volume of Community goods for himself.

9. We know almost nothing about the volume of transit by other means of transport. The Kirilo Savic Institute refers to marine transit traffic and gives a figure of 188 tonnes for 1977, but again without stating the countries of origin.
10. In its report to the Council¹, the Commission of the EC refers to transport of goods by road between the FRG and the countries of SE Europe, and to the transit of goods to or from those countries through the FRG. The fourth table gives the volume of transit goods carried between Greece and the rest of the Community, as follows :

Table 4

Total inward and outward
(in 1,000s of tonnes)

Year	Greece - Community
1978	644.1
1979	685.4

Source : COM(81) 406 final, table 4, p. 37.

We have to acknowledge that all this volume of transit trade goes through Yugoslavia.

11. As regards rail transit traffic to and from the FRG, which Greece again of necessity sends through Yugoslavia, Table 5 of report COM(81) 406 final gives these figures :

Table 5

(in 1,000s of tonnes)

	1978		1979	
	To	From	To	From
Greece	51.7	73.3	60.1	58.6

Source : COM(81) 406 final, Table 5, p. 38.

Unfortunately, the Commission has not published any further data on the transit of goods to and from the other eight Member States to and from Greece. More detailed figures are required if transit costs are to be rationally estimated.

¹
(COM(81) 406 final) -

12. Finally, the Greek side has appended the following figures for Greece's total international trade with the Community :

Table 6
Total International Trade, 1977
(in tonnes)

Means of transport	tonnes	%
Road	1,352,200	4.91
Sea	25,180,600	91.52
Rail	958,900	3.49
Air	22,000	0.08

Source : Greek Statistical Service, Athens 1980

In other words, by far the greatest part of goods transport between Greece and the rest of the Community is by sea (91.52%), while road and rail transport, which are of necessity transit traffic, account for a mere 8.4% of the total. It should be recalled that approximately 15% of rail transport to and from the Community goes through Bulgaria and Hungary.

13. It must be stressed that all the figures we have so far relate to the period before Greece joined the Community. With the progressive abolition of tariffs and the completion of the Common Market of Ten, the volume of trade between Greece and the Nine is expected to increase considerably, which means that the transit of Community products through Yugoslavia will also grow considerably unless alternative solutions are found. The Commission might assess such a flow of goods and inform Parliament accordingly.
14. The part played by Yugoslavia in transport between the Community on the one hand and the Middle East and North Africa on the other, in the context of wider North-South links, must also be stressed. The growth of these will naturally depend on the policy followed by the Community towards those countries. This, however, does not exclude the possibility of Yugoslavia's playing a serious role as a country belonging to the 'non-aligned' movement.
15. Regardless of whether the Community or Yugoslav economic data is complete or not, the volume of goods in transit through Yugoslavia is sizable and is going to increase. It is therefore deemed essential to examine the costs of transit, the structural difficulties which arise and the feasible alternative solutions for goods transport between Greece and the other partner States, given that 85% of rail and road transport (approx. 1.2 million tonnes in 1978) passes in transit through Yugoslavia.

PE 86.183 /fin.

III. Transit costs for Greek goods

16. All Greek road transit transport to and from the Community goes through three transit countries : Yugoslavia, Switzerland and Austria. There is one exception in the case of transit to and from Italy, where only Yugoslavia is used as a transit country. This geographical dependence has a price, which can be summarized as follows :

- (a) charges for road use
- (b) transport costs
- (c) transport time
- (d) capital depreciation.

III(a) : Road-use charges

17. According to data from the Greek Ministry of Communications, Yugoslavia issued 30,000 transit transport permits, of which 28,296 were used, while for 1983 the figure has dropped to 26,000 permits, with a cut of 4,000 permits for perishable goods.

18. Yugoslavia has recently imposed the following charges for road use:
0. 260 dinars x 1,200 km x 38 tonnes gross weight.
The charge per vehicle is therefore 10,670 drachmas (exchange rate on 11.1.1983 : 1 dinar = 0.90 drachmas), which comes to 8.9 drachmas per kilometer.

19. Austria has recently imposed the following charges for road use :
all countries using its road network :

4,800 Austrian schillings per month.

Operators on the Greek side calculate that they make 1.5 journeys a month, or 18 journeys a year. This gives :

4,800 schillings x 12 months = 57,600 schillings a year
57,600 x 5.11 (1 schilling = 5.11 drachmas) = 294,336 drachmas
294,336 % 18 journeys = 16,352 drachmas per journey
or 16,352 % 700 km = 23.36 drachmas per km.

The official Austrian position on these high charges is that they cover the maintenance, and also the construction, of its motorways. Stress is naturally not laid on the fact that Austria exploits opportunities to issue transit permits whenever it can.

III(b), (c) and (d) : Transport costs and time, and capital depreciation

20. Your rapporteur is unable to find any assessments - if, indeed, any such assessments have been made - of these cost factors. In any event, he would like to stress the need for Parliament to be provided with information or for a special report to be drawn up on : 'production costs - transport costs - consumer prices - competitiveness'.

IV. Difficulties arising from Yugoslavia's transport infrastructure

21. The suitability, viability and adequacy of infrastructures in transport are functions of existing use or, more specifically, of envisaged future use. As regards this last factor, there are plans to increase it considerably, for reasons which we touched on in Chapters II and III, so that our attention must be directed towards planned consolidated investments in transport infrastructures in Yugoslavia and to the part the Community can play in financing them.
22. The present-day state of transport infrastructures in Yugoslavia is a reflection of the wider economic development of the country. That is to say, their level of development has followed the level of development of the National Product. The state of the transport infrastructures is therefore the same as that found in less-developed economies. More specifically, the existing rail and road infrastructure does not even meet present-day needs, let alone future ones. According to statistics from the Kirilo Savic Institute, the annual percentage growth in the transport sector in the period from 1960 to 1976 was 7.2%, while public investment in the transport sector amounted on average to 12.9% of total investment in the period from 1955 to 1975. In our view, this is too small a percentage to bring the relatively small supply into line with the increased demand.
23. Yugoslavia's road transport network is rather limited (see Annex I) : only two motorways link Greece to the rest of Western Europe : the first is the Ljubljana - Zagreb - Belgrade - Skopje - Greece road, and the second is the Ljubljana - Titograd - Pristina - Skopje - Greece road. Of the 101,589 km of road in the network in 1976, only 1.12% were motorways and only 40% of the total were tarmacked; and their condition is mediocre.
24. Roughly the same deficiencies are apparent in the rail transport network as well. Only 2/3 of the international Ljubljana - Zagreb - Belgrade - Skopje -

Greece railway line has been electrified, and that at unsatisfactory speed and probably with out-dated working methods (see Annex II). On important sections of the lines the rails are very old, and the track has been badly routed, which puts up running costs.

25. Specifically for improvements to infrastructures in Yugoslavia, the financial protocol appended to the EC-Yugoslavia cooperation agreement provides for the European Investment Bank (EIB) to make credit of 200 million ECU available to Yugoslavia for infrastructure programmes. At any rate, at the end of 1981, the World Bank for its part provided Yugoslavia with a banker's guarantee of 34 million dollars for improvements to its railway network.

V. Other endemic difficulties

24. On 26 May 1982, the representatives of the Community, Austria, Spain, Finland, Norway, Portugal, Sweden, Switzerland and Turkey signed the 'agreement on the international carriage of passengers by road by means of occasional coach and bus services (ASOR)'.

Unfortunately Yugoslavia, because of a disagreement over details which, in its view, did not conform to the principle of 'reciprocity', refused to be a co-signatory to the Agreement. In the BUTTAFUOCO report (Doc. 1-182/82), the Commission is requested 'to seek a rapid settlement of this conflict, which is especially damaging to the interests of Greece'.

27. According to the latest information we have received from the Commission, at the meeting of officials from the responsible Yugoslav and Community services in Belgrade in October 1982, it became clear that an Agreement between Yugoslavia and the ASOR signatory states could iron out the difficulties.

28. Such an Agreement would be applicable to all occasional services both between Yugoslavia and states which signed ASOR and to transit services through Yugoslavia. As regards the degree of liberalization, it appears that three alternative solutions could be considered :

- 1) either the liberalization of shuttle tours (services where the whole outward and return journey is carried out using the same coach or bus and with the same passengers) and of services comprising an outward journey with passengers but returning without passengers,
- 2) or the introduction of liberalization applying only to shuttle tours,
- 3) or, that no liberalization measures should be introduced.

In any event, whatever solution is finally put forward, Yugoslavia must:

- (a) provide for the application to occasional services of the control document provided for by ASOR and of the regulations governing its use;
- (b) allow the interested parties to apply, in other cases, the provisions of agreements or other arrangements which provide for more liberal treatment (ASOR, Article 15);
- (c) to lay down for the services in question the definitions laid down in ASOR;
- (d) to establish cooperation procedures among all the interested parties.

29. Thus the said Agreement would include, almost in toto, the provisions of ASOR, except for Article 5 (liberalization measures), which would be replaced by one of the alternative solutions. In general, this has the backing of Member States; the other states which signed ASOR, on the other hand, still have certain reservations about accepting the Agreement in question.
30. In the area of coal and steel, the Sixteenth General Report of the Communities says that the Commission has been authorized 'to open negotiations with Yugoslavia concerning the conclusion of an Agreement the establishment of through international railway tariffs for the carriage of coal and steel through the territory of Yugoslavia' (p. 192). Only good could come of such an initiative. With Austria and Switzerland, agreements to extend this measure to their territories were reached in 1956 and 1957 respectively.
31. Checks on vehicles at Yugoslav frontiers and the various procedures gone through cause nothing but delays and stress. It would be possible to lay down specific rules providing for 'even-handed treatment' to the various means of transport, for both countries.

VI. Alternative solutions

32. The future course of the transport system is dictated by the level of economic development, existing transport structures, planned future equipment of the network and the funds available. Of the three transit countries, Yugoslavia differs more greatly in these respects from the others than it resembles them. The solution to the problem lies in rational consideration of the alternative means of transport, in other words shipping, or in revising Community policy towards Yugoslavia in the area of transport.
33. Yugoslavia is not the only country with serious deficiencies in the transport sector : Greece has them too. It is to be hoped that Mr KLINKENBORG, in his report 'on transport problems in Greece', will inform the Commission and then Parliament of the need for long-term programming of structural investment in Greek transport.

VI(a) : Combined transport systems

34. The best-known mixed transport systems are :
- (i) the piggyback system (carrying lorries on trains)
 - (ii) the roll-on/roll-off system (carrying lorries on ferryboats or ro-ro vessels)
 - (iii) certain combinations of aeroplane and ship.
35. A feature of all combined transport systems served by two or more means of transport is the 'unitization' of freight, in other words making the goods up into standardized units. This type of standardized packaging takes the form of containers, pallets which are a standardized piece of equipment 100 cm by 120 cm, and lighters, which are large-capacity floating containers.
36. Containers, pallets and lighters have the following advantages¹ :
- (i) the risk of theft of goods is reduced,
 - (ii) tariff-fixing and customs procedures are simplified,
 - (iii) the costs of packaging and insuring the goods are reduced,
 - (iv) loading and off-loading work can be decentralized.
37. The system of conveying lorries on trains (the piggyback system) usually

¹ For further details see Y. Yannopoulos, 'A development model for combined transport systems and unitization of freight traffic in Greece' (in Greek), Tehnika Hronika, Oct./Nov./Dec. 1978

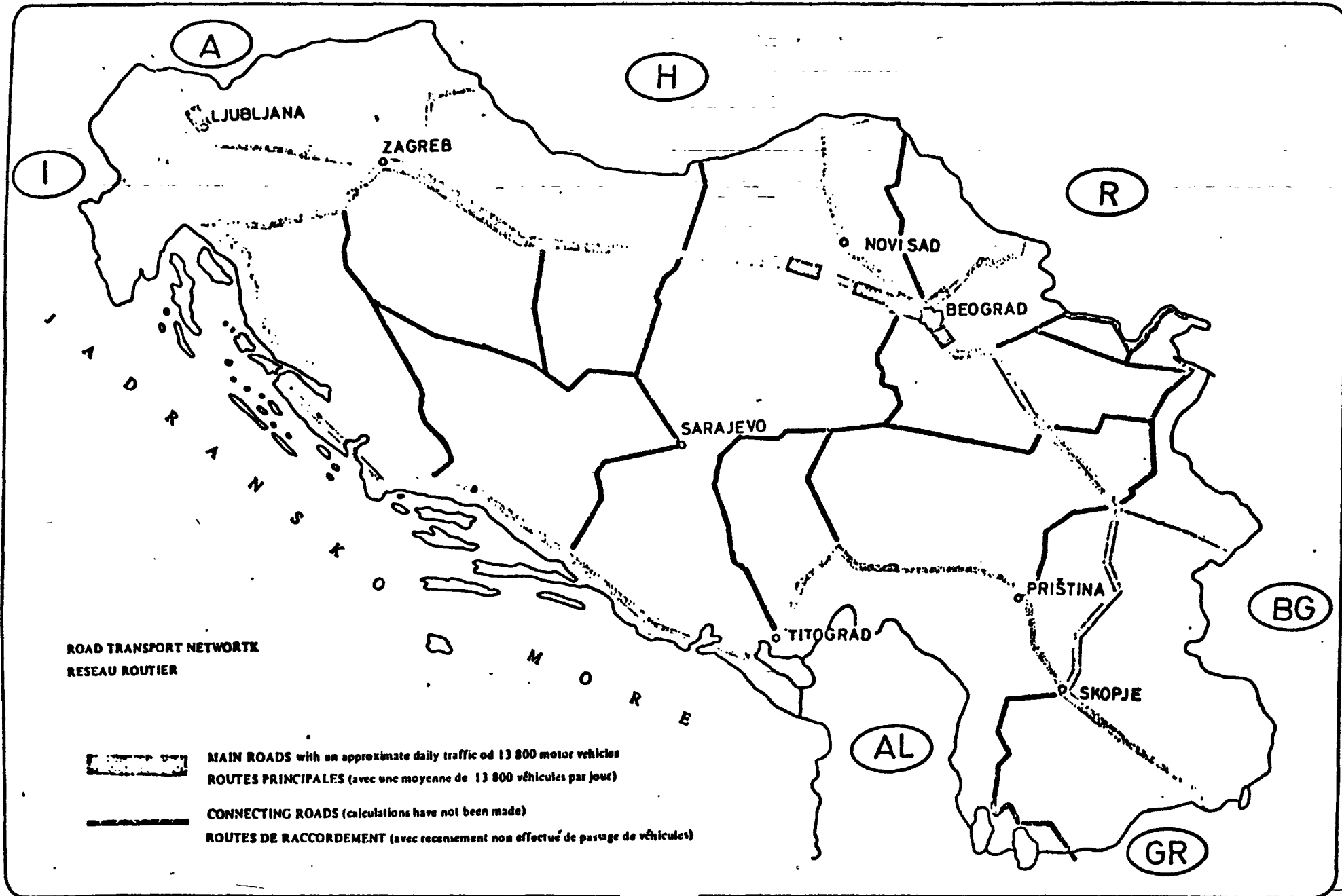
involves the use of pallets, and, to a lesser degree, containers. Unfortunately, the poor rail transport infrastructure in Greece and Yugoslavia limits the development of this type of transit system. Any development of the piggyback system could help to decongest road transport through Yugoslavia, but, in the short term at least, this is unattainable.

It is indicative of the situation in both countries that in 1977 the Greek railways carried only 1,702 tonnes of freight in containers. The chief hindrance is the lack of a satisfactory loading-and-unloading station (there is, for instance, one loading gantry at the station in Athens and one 40-tonne crane in Thessaloniki).

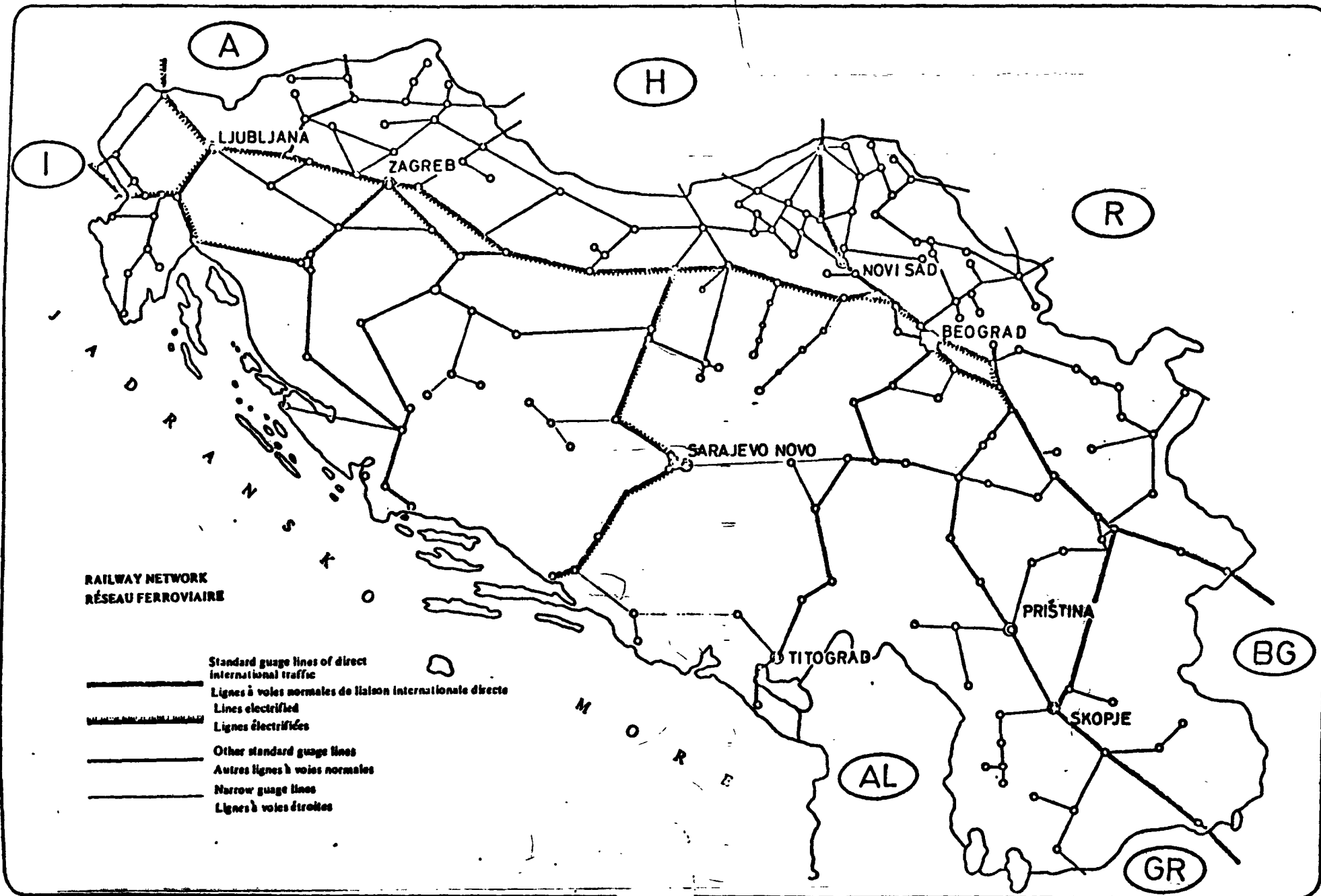
38. The medium-term development of the piggyback system is essential for two reasons. The first is the energy saving, which Professor Y. Yannopoulos¹ has estimated would be of the order of about 4% of total consumption for Greek land transport. Secondly, any restrictions on road transit permits by Yugoslavia would mainly affect Greek exports of fruit and vegetables and of other perishable goods.
39. Greece's geographical position makes it more economically advantageous to develop combined roll-on/roll-off transport systems (a combination of lorries and ships). The Community merchant fleet is the largest in the world and is currently going through serious difficulties from a shortage of demand. If this over-capacity in shipping were combined with action to relieve the congestion in the port of Piraeus by organizing the ports of Thessaloniki, Volos, Patras and Iraklion appropriately, then the transit problem would be solved in the short and medium terms. Transport costs would be reduced to a minimum by the large supply of shipping available and the development of better methods of loading and unloading.
40. Extensive use is made in the Community of a combination of lorry and ferryboat, and this for two reasons. Firstly, the use of pallets is widespread and facilitates loading and unloading. Secondly, carriage of lorries on refrigerated ro-ro vessels has the advantage that fresh meat and perishable goods can be preserved. The type of freight to be carried naturally dictates the method of packaging used (for example, containers, pallets, etc.), but in general the ro-ro system is advantageous for goods of high value and with a high weight-to-volume ratio.

¹ See previous footnote.

41. The development of Community trade with the Middle East and North Africa comes up against the problems of transit. For overland carriage, the difficulties are enormous, but well known. Greece's geographical situation and its merchant fleet would serve not only Community traffic with the ro-ro-system but also transport from the Balkan countries.
42. Furthermore, the development of combined transport systems involving ships with lighters would have the advantage of simplifying procedures and accelerating the speed of transport. Harbours such as those at Volos, Thessaloniki and Iraklion have natural protective breakwaters, which are essential to combined transport by ship and lighter.
43. Finally, combined transport by aeroplane and ship or lorry, for the conveyance of containers or pallets can easily be developed at Iraklion. The port is situated close to the city airport and it would be relatively easy to link them physically. Serious capital investment in mechanical equipment would make Iraklion a Community transit centre for the Middle East, North African, American and Japanese markets.



Source: Kirilo Savic Institute of Economics of Transport
 'Yugoslav Transport'
 Belgrade 1979



Source: Kirilo Savic Institute of Economics of Transport
'Yugoslav Transport'
Belgrade 1979

MAIN TRANSIT ROUTES IN THE ECMT MEMBER STATES

