

6. ROAD TRANSPORT SERVICES (CAUCASUS)

Geographic Focus:	Republic of Armenia, Azerbaijan Republic, Georgia
Project Budget:	EURO 250,000
Contractor:	DHV Consultants
Implementation timetable:	January 1996 through March 1997

Background

The Caucasian countries inherited from the FSU a freight transport system which favoured the rail sector. Entrepreneurial skills had not been encouraged, trucks were antiquated, and tertiary distribution systems weak. It was necessary to introduce new ideas and to improve the operating environment for road freight transport companies, as well as to provide technical assistance to the companies to assist in the development of their business.

Objectives

- To facilitate development of the domestic and international road transport industries and to assist viable private companies or state autonomous operators in gaining an equitable market share of international traffic.
- To develop a pilot business plan for common road cargo hauliers and for automotive support and service enterprises providing essential operational support to the road transport industry.
- To identify West European transport sector partners for joint ventures and to produce a manual for investment decisions in capital equipment.
- To provide advice on institutional restructuring of the road haulage sector.

Key Issues

The most useful approach to finance the procurement of vehicles, tyres and trailers was seen to be to create Joint Ventures between Caucasian and Western European operators, so a survey was conducted among road transport operators in the Caucasus and in the EU to track down candidates for Joint Ventures.

Achievements

Western European companies have been identified that plan to develop their business in the Caucasus. Discussions are underway on possible co-operation and a German company has already started a Joint Venture with Gate East, a road haulier and terminal operator in Azerbaijan.

Four business plans were generated for autonomous operators (not incorporated in Ministries) that were considered to be well positioned to develop new road transport related business in Azerbaijan and Georgia and some of these have started business and are progressing well. A manual of Transport Operating Costs was also produced and widely distributed.

In Armenia, technical assistance was given to the emerging Road Carriers Association and in consultation with the IRU advice was given to help restructure the Association as a problem was identified which would have prevented international recognition of the Association.

Suggestions on institutional restructuring of the road transport sector were presented to each participating state and although the starting situation for each state was very different, the recommendation of this project was to establish road transport departments within each of the Ministries of Transport, where they exist. This institutional reform was seen as a necessary first step that would need to be implemented before further training programmes were instituted.

Recommendations were given to follow up the project with further training in commercial road transport operations. This will be pursued in a future TRACECA project, in collaboration with the IRU which is the international body guiding and regulating the road haulage sector.