

By email and post

H.E. Mr Dacian Julien Cioloş
Prime Minister
Romanian Government
Palatul Victoria
Piata Victoriei No. 1, sector 1
011791 - BUCAREST
Romania

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Geneva, 18 December 2015

Your Excellency,

I write to you on behalf of the International Road Transport Union (IRU), the world road transport organisation, which upholds the interests of bus, coach, taxi and truck operators to ensure economic growth and prosperity worldwide. We are a global industry federation active in more than 100 countries, including Romania, on the 5 continents.

IRU has received alarming information about the Romanian Motor Third Party Liability (MTPL) Insurance market/Green Card System's imminent blockage due to an accelerated and unjustified increase of MTPL insurance premiums. The Romanian road transport industry has informed IRU that the premiums for MTPL insurance in Romania have increased drastically over the last few years - from RON 1200 in 2012 to RON 4000 in 2014 and RON 15000 in 2015! If the same rate is maintained, the MTPL insurance premiums for Romanian road hauliers will be at least RON 60 000 in 2016, an amount not found anywhere else in Europe.

May I draw your attention to the seriousness of this situation, not only for the Romanian road transport industry but for Romania's economy as a whole as any increase of the price of road transport will ultimately be passed on to the shippers, hence the economy. This dramatic increase in the costs of Romanian hauliers due to MTPL insurance will furthermore decrease their efficiency and competitiveness on the European transport market. This situation will increase the unemployment in the Romanian transport industry and negatively impact the contribution of the road transport industry to the Romanian Gross Domestic Product. The impact to other Romanian industries and sectors served by the Romanian transport industry should also be considered as their costs will equally increase.

The IRU always recommends to road transport companies to transfer any cost increases to their clients in order to preserve the profitability of their business. However, in the current Romanian situation it will most likely be impossible to transfer such huge cost increases of 400%, meaning that they will have to be internalised to the detriment of the road transport industry and Romanian economic competitiveness.

Therefore, we would urge the Romanian government to undertake measures to address this exceptional situation at national level, by establishing fixed rates for MTPL insurance premium similar to the systems of other countries. Another option would be to undertake urgent measures at national and EU levels to allow Romanian road hauliers and indeed all other EU hauliers to conclude MTPL insurance agreements with motor insurance companies from other EU Member States like Poland, where MTPL insurance for a truck starts from EUR 300.

We trust that the new Romanian government, under your leadership, will adopt the EU approach and best practices with regards to the Romanian MTPL insurance market by not allowing any more abuses which, if left unresolved, will lead to huge losses for the Romanian economy.

Please consider the IRU as a partner for dialogue as the global voice of the road transport industry while defending the interests of economies and society as a whole.

Yours sincerely,



Umberto de Pretto
Secretary General