# NATIONAL UNION OF ROAD HAULIERS FROM ROMANIA



# UNION NATIONALE DES TRANSPORTEURS ROUTIERS DE LA ROUMANIE

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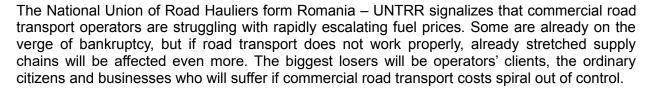
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## **European Commission** Mrs. Adina Ioana VĂLEAN, Commissioner for Transport

Ref.: UNTRR calls on urgent road transport fuel price action asking for:

- 1. measures to allow hauliers to pass on the fuel cost increases to users in real time and to be paid by clients in due time, thus enabling hauliers to pay their fuel bills
- 2. measures for the reduction of fuel price by EU and national authorities' intervention, coordinated at European level

#### Dear Commissioner,



In this context, The National Union of Road Hauliers from Romania - UNTRR calls on urgent road transport fuel price action to avert economic crisis, asking for measures to allow hauliers to pass on the fuel cost increases to users in real time and to be paid by clients in due time, thus enabling hauliers to pay their fuel bills. UNTRR also calls on EU coordinated actions to cap fuel prices for commercial road transport and reduce or rebate taxes and excise on fuel for commercial operators, asking the European Commission to allow a derogation from the minimum levels set by Directive 2003/96/EC for the taxation of energy products in order to avoid an escalation of the economic crisis.



# UNTRR asks for measures to allow hauliers to pass on the fuel cost increases to users in real time and to be paid by clients in due time, thus enabling hauliers to pay their fuel <u>bills</u>

Global oil prices, this week reaching their highest level since 2008, are set to climb higher amid continuing instability and sanctions related to the Ukraine crisis. Thus, average diesel prices, including VAT and excise duties, have risen by 16% since the beginning of March.

Such a significant increases of costs in an extremely short-term is suffocating the cash-flows of Romanian road hauliers. Usually, diesel is invoiced twice a month with a payment deadline in 15 days, while the transport activity is invoiced several times per month but the payment is made every 30/60/90 days. At the same time, due to rising fuel prices, road hauliers are consuming much faster their credit limit on the diesel fuel cards and consequently they have to pay in advance the accumulated sold. In the absence of quick and concrete measures, road hauliers will be not be able to pay their diesel suppliers.

Since the Romanian road hauliers operate with very low margins, they have to pass on cost increases to customers, otherwise they risk bankruptcy which would put further pressure on the supply chains. Usually, by diesel indexing clauses, the hauliers transfer the increased cost of fuel to the customers with a delay and after registering an increase of 5%.

In the current situation, the wafer-thin margins and the unavailability of the cash flows make it impossible to continue this practice, which was nevertheless eroding the already very narrow margins of the road transport companies.





UNTRR asks for measures to allow hauliers to pass on the fuel cost increases to users by the indexation of transport tariffs with the increase of diesel prices in real time. UNTRR also asks for the payment of fuel costs by customers at intervals that allow hauliers to pay their fuel bills to the suppliers.

2. <u>UNTRR asks for measures to reduce fuel price by EU and national authorities</u> intervention, coordinated at European level

The fuel costs represent over a third of the road hauliers' operating costs and in the absence of concrete measures for capping fuel prices, the entire population and economic sectors in Romania and the EU risk serious inflationary consequences due to the uncontrolled increase in road transport costs.

Almost all the goods used every day by the EU population - food, medicine, clothes, cosmetics, electronics, vehicles, etc - are transported by truck at some point in their supply chain. Therefore, may we underline the importance of EU and national authorities' urgent intervention to support road transport, otherwise the supply chains will be affected with severe consequences for the entire population.

In the absence of concrete measures until the end of March, there will be serious blockages of the European transport industry in early April, when exceeding the due payment of the fuel bills received by the hauliers for the period March 1-15, as the hauliers will be unable to pay them. Consequently, this will immediately stop the fuel supply to the hauliers and will implicitly stop the road transports, thus affecting all the supply chains that rely on road transport for all or part of the route.

Before it is too late, UNTRR calls on EU and national authorities' urgent intervention to reduce the price of fuel for road hauliers by measures coordinated at the European level.

Expressing our trust in your support, we thank you and assure you of our highest consideration.

Secretary General Radu DINESCU