

**Second Meeting of the Joint Committee established by the Agreement between the European Union and Ukraine on the Carriage of Freight by Road**

**Online meeting, 18 December 2023**

**Minutes**

**Participants:**

**From the European Commission:**

- Magda Kopczynska, Director General, DG MOVE
- Kristian Schmidt, Director DG MOVE.C., Chairman of the meeting, Head of the EU delegation
- Jean-Louis Colson, Head of Unit DG MOVE.C.1
- Ewa Ptaszynska, Deputy Head of Unit DG MOVE.C.1
- Elzbieta Lukaniuk, Cabinet Commissioner Valean
- Roxana Lesovici, Cabinet Commissioner Valean
- Gergely Antal Sulyok, Assistant of the Director General, DG MOVE
- Thomas Kaufmann, DG MOVE.C.1.
- Pablo Serrano, DG MOVE.C.1
- Tobias Schroeder, DG MOVE.C.1
- Adrien Bonin, DG MOVE.C.1

**Representatives from Ukraine:**

- Oleksandr KUBRAKOV, Deputy Prime Minister for Restoration of Ukraine, Minister for Communities, Territories and Infrastructure Development, Head of the Ukrainian delegation
- Serhiy DERKACH, Deputy Minister, Ministry for Communities, Territories and Infrastructure Development
- Olga SAVCHENKO, Director of the Department of International Cooperation and European Integration, Ministry for Communities, Territories and Infrastructure Development
- Yevhen KARPENKO, Ministry of Internal Affairs
- Anastasiia Bozhyk, Mission of Ukraine to the EU
- Vitalina Kytsun, Mission of Ukraine to the EU
- Serhii Tereshko, Mission of Ukraine to the EU
- Catherina ONYSCHENKO, Ministry of Infrastructure
- Ivan Hud, Ministry of Digital Transformation
- Maria BURTSEVA, Ministry of Foreign Affairs
- Olena Isaieva, Ministry of Foreign Affairs
- Oleksandr Nikolaiev, Ministry for Communities, Territories and Infrastructure Development
- Olga Savchenko, Ministry for Communities, Territories and Infrastructure Development
- Mustafa Nayyem
- Oleksandr Tkachuk



Observers from EU Member States:

- Arkadiusz Marchewka (Poland), State Secretary
- Jakub Siwiński (Poland)
- Lukasz Wojtas (Poland)
- Tomasz Dołowy (Poland)
- Pawel Michniak (Poland)
- Sebastian Torłop (Poland)
- Arnaud Demay (France)
- Eva Maria Gram (Denmark)
- Elise Voss (Denmark)
- Kristoffer Henrik Johansen (Denmark)
- Veli-Matti Syrjänen (Finland)
- Dylan Carroll (Ireland)
- Dragan Udovicic (Austria)
- Galina Vladimirova (Bulgaria)
- Jiri Vesely (Czech Republic)
- Jaromír Volf (Czech Republic)
- Cristina Valero (Spain)
- Lucía Carmona Buendia (Spain)
- Lukas Kroll (Germany)
- Dimitrij Zadojenko (Lithuania)
- Liutauras Slajus (Lithuania)
- Rokas Tamulevicius (Lithuania)
- Eleni Zacharaki (Greece)
- Kornél Kovács (Hungary)
- Annamária Tóth (Hungary)
- Karacs Zsanett (Hungary)
- Indra Gromule (Latvia)
- Girts Bramans (Latvia)
- Zane Siliņa (Latvia)
- Marjan Nahtigal (Slovenia)
- Sam Weissen (Luxembourg)
- Narine Svensson (Sweden)
- Jenny Bragg (Sweden)
- Eduard Ungureanu (Romania)
- Vladimir Porubsky (Slovakia)

The head of the European Union delegation Kristian Schmidt welcomed the participants to the second meeting of the Joint Committee established by the Agreement between the European Union and Ukraine on the carriage of freight by road. He expressed his gratitude to Ukrainian Deputy Prime Minister Oleksandr Kubrakov for spending time on this meeting, in view of the war situation in Ukraine and to the representatives of Member States, who are taking part as observers.



He congratulated Mr Kubrakov and his government on the decision, taken by the European Council on 14 December 2023, to open accession negotiations with Ukraine. He looked forward to the work ahead, and to bringing the EU and Ukraine closer together in all areas.

According to Article 4 of the Agreement, the Joint Committee shall be chaired in turn by a representative of the European Union and a representative of Ukraine. Since the EU chaired the first meeting on 16 March 2023, it should fall on Ukraine to chair this second meeting. However, Ukraine accepts to delegate the chair to the EU.

### **1. Opening statements**

The Ukrainian co-chair expressed his gratitude for the support of the EU to Ukraine over the last 2 years. He recalled the success of the agreement, in particular an increase of more than 50% of road crossings.

Ukraine has found a temporary solution for the ports of the Odessa region, which have reached a capacity of 30 million tonnes in 2023. However, before the Russian aggression the sea turnover was 150 million tonnes.

Road transport is therefore critical for Ukraine. The crisis situation at the Polish border causes enormous losses. Not only Ukrainian, but also EU carriers complain about the situation. If they have to wait for 2-3 weeks at the border, clients will cancel contracts with Ukrainian suppliers. He announced that there will be a meeting with the Polish minister of Transport.

DG MOVE Director General Magda Kopczynska made a short introductory speech expressing the hope for a rapid solution for the border issues between Ukraine and Poland.

The EU co-chair recalled that the meeting is convened at the request of the Ukrainian side, as expressed in a letter of the Deputy Prime Minister of 9 November 2023. At the Transport Council meeting of 4 December 2023, several Member States also called for the Joint Committee to be convened. He then recalled a few formalities:

- In this meeting only the implementation of the Agreement will be reviewed. The EU side has no mandate to discuss anything else.
- He pointed out difficulties seen lately in the application and functioning of the Agreement, especially at the borders between Ukraine with some Member States. This meeting is an opportunity to review the situation in order to see how to improve the situation in the interest of both sides. But the purpose of this meeting is not to take decisions, but to have a clear view from both parties on the application and implementation of the Agreement. Therefore the discussion during this Joint Committee will have a purely exploratory character. The results of the meeting will be useful for taking joint decisions at a later stage.
- He reminded that Member States participate in this joint committee as observers and gave the floor to all observers who expressed their interest to convey a message.

#### **Intervention by Arkadiusz Marchewka (Poland), State Secretary for Infrastructure:**

Mr Marchewka emphasised the need to continue support for Ukraine but also to make sure it does not have a negative effect on EU hauliers. He confirmed that there will be a meeting on 20 December with Deputy Prime Minister Kubrakov.

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According to the Polish authorities, Ukrainian hauliers now have a market share of the PL-UA bilateral transport of 90% whereas Polish hauliers have a market share of only 10%. He also voiced concern over a perceived uneven playing field. The Polish authorities consider the Ukrainian e-queue system suboptimal, leading to frustration for Polish truckers. The State Secretary expressed his determination to solve the border issue and maintain discussion with Polish hauliers, Ukraine and the EU.

Intervention by Arnaud Demay (France), Chef de Bureau à la Sous-Direction des Transports

Mr Demay confirmed that the agreement has reached its goals. There has been no perturbation of the market or safety issues in France, as a consequence of the agreement.

Intervention by Eva Maria Gram (Denmark), Transport Attaché

Ms Gram said that the agreement worked very well. Ukraine's exports have an important role to play in world food safety. She also thought it was necessary to remedy bottlenecks and increase capacities at the borders.

**2. Adoption of the agenda**

The Agenda was adopted.

**3. Extent to which original conditions motivating the Agreement remain relevant**

The EU co-chair recalled that the Agreement is temporary, conceived as partial liberalisation of road freight transport for as long as the original conditions prevail. He also recalled that the purpose of the Agreement was to develop alternative ways to export grain and other products to the EU and third countries, to compensate for the partial loss of sea transport possibilities through the Black Sea, as a consequence of the Russian war of aggression against Ukraine.

In the decision n° 2/2022 of the Joint Committee of 16 March 2023 to extend the Agreement until 30 June 2024, it was stated that the Agreement has become essential for the well-functioning of the Solidarity Lanes. It was also stated that the Solidarity Lanes have made possible the export of significant volumes of Ukrainian crops, agricultural products, and fertilisers to countries in need.

The Agreement was extended because it was considered as successful in ensuring its objectives. Following Russia's withdrawal from the Black Sea Grain Initiative and Russia's efforts to destroy or threaten ports in Odessa and on the Danube, the land corridors clearly remain essential, whether for grain or for other products.

This is confirmed by the input provided by Member States in response to a questionnaire which the Commission sent before the meeting. There is an overall consensus that the objective of the Agreement as defined in Article 1 "*to temporarily facilitate road freight transport between and through the territory of the European Union and Ukraine*" has been fulfilled. This resulted from the submissions of a number of Member States before the meeting.

The Ukrainian co-chair repeated that the percentage of food that can be transported via the sea is very limited and air transport is completely closed while the war is still going on. Road transport is the most flexible transport mode. Therefore, the agreement remains a necessity.



#### **4. Overall impact of the agreement**

The EU co-chair presented a number of slides, from which results the following:

##### **a) Volume of transport operations between the EU and Ukraine**

- As measured by Eurostat, the volume of imports by road from Ukraine to the EU (UA exports to the EU) has significantly increased following the entry into force of the Agreement, by about two thirds in terms of volume transported monthly and by about one third in terms of value.
- In absolute figures, there are on average more than 300,000 additional tons of goods imported from UA every month following the Agreement. At the same time the value of the monthly additional imports is around EUR 250 million per month.
- These figures therefore show that the agreement has achieved its main purpose of utilizing road capacity as an alternative corridor for the transport of goods. The effect was rapid, effective and lasting.
- This benefits EU exports too; EU exports to Ukraine have developed strongly after the entry into force of the Agreement.

##### **b) Evolution of trade flows between the EU and Ukraine**

- By *volume*, EU exports to UA have increased by an amount similar to the increase in imports, namely by around 300,000 tons by month. EU exports by *value* have risen almost three times faster than EU imports (more than EUR 700 million per month for EU exports compared to EURO 250 million imports).
- Altogether, the current exports are around 380,000 tons and EUR 900 million higher than the monthly average before the ratification of the Agreement. Hence, the value of the EU goods transported to UA by road is increasing more and more.
- The Agreement has therefore increased the EU trade balance by road by EURO 500 million by month.
- Most Member States confirm these trends at national level. However, four Member States report a decrease of Ukrainian exports by road to their territory and two member States a decrease of EU exports by road to Ukraine. For all Member States, the trade balance by road with Ukraine is positive.

##### **c) Contribution of road sector to the functioning of the Solidarity Lanes**

The EU co-chair stated that delays at the border between the EU and Ukraine hurt significant economic interests on both sides. Where before the strikes truck drivers had to wait at most a few hours to cross the border to Ukraine, in recent weeks there have been queueing times of up to 400 hours (or 15 days) on the EU side. The e-queue times on the Ukrainian side are even higher and have reached several hundreds of hours on average.

The EU co-chair expressed his concerns about the blockades, noting the thousands of truck drivers who are waiting day after day in freezing temperatures on both sides of the border. This is not in the spirit of supporting Ukraine in its war against Russia, not the spirit of the road transport agreement, and not the spirit of the Conclusions of the European Council of December 2023.

The Ukrainian co-chair also pointed to the increase of the volume of transport operations between the EU and UA for all the countries. There was a rise in 2022, a bit less in 2023 but overall numbers are a lot higher than in 2021.

**d) Impact on the EU and Ukraine haulage sector**

The Ukrainian co-chair stated that there was a positive impact on the stability of Ukraine's transport sector. Road transport represents a large percentage of goods exchanges with Ukraine. The number of border crossings by EU carriers increased by 22% in the second half of 2022, compared to the first half of the same year.

Cargo to areas in Ukraine far from the frontier are not safe in the perspective we have now.

The number of transportations in total has increased. All carriers have chances to increase their traffic.

The EU co-chair pointed to the following:

- At EU level, the Commission does not have comprehensive data.
- However, several Member States report a clear increase in the number of Ukrainian vehicles on their territory (Bulgaria, Czech Republic, Hungary, Poland, Slovakia, Slovenia). In these cases, a loss of market share in the business of the road hauliers of these Member States with UA is reported, some claim as a result of the lower operating costs of Ukrainian hauliers. Already before the Agreement the market share of EU hauliers was lower than the one of Ukrainian hauliers (except for one Member State where it was 40% versus 60%). But road transport operations from and to Ukraine represent a small proportion of the business of EU hauliers. However, on a local level market impact may be felt significantly.

**5. Issues arising from implementation of the Agreement on:**

**a) Enforcement of scope**

The EU co-chair recalled that the Agreement is limited to transit in the EU and to EU-Ukraine bilateral transport. Cabotage and cross-trade do not fall within the scope of the Agreement. This was again clarified in the letter from Acting Director General Maja Bakran of 8 May 2023 to the Ukrainian authorities. It is the responsibility of Member States to enforce the rules on their territory.

In this regard, two Member States have brought to the attention of the Commission two cases of illegal cabotage by Ukrainian hauliers. Other Member States did not bring evidence on this, but have received complaints from hauliers on possible unlawful cabotage services and cross-transit services by Ukrainian hauliers. Another Member State found irregularities related to the operating licence or registration of Ukrainian carriers. From those Member States replying to the questionnaires, a number did not report any evidence of unlawful cabotage or cross-trade.

The Ukrainian co-chair specified that the government has clearly communicated to the hauliers that cabotage and cross-trade is not allowed, apart from legal cross-trade under the ECMT. The Ukrainian representative also said that the number of cabotage cases is not very big. They are exceptional cases

rather than usual behaviours. However, the Ukrainian side will do everything to prevent this happening in the future.

#### **b) Access to Ukraine drivers' information**

The EU co-chair specified that Article 5(b) of the Agreement stipulates that each Party shall exempt the holders of driving licences issued by the other Party from the requirement to hold an international driving permit. The Parties shall cooperate in order to prevent and combat fraud and forgery of driver documents. To that end, the competent authorities of Ukraine shall provide the relevant information to the competent authorities of the European Union and of its Member States by means of a web portal managed by the competent authorities of Ukraine or by the retrieval of data from electronic driving licences issued by Ukraine in accordance with its legislation. In their replies, Member States did not report particular issues on this matter.

The Ukrainian representative Yevhen Karpenko explained that Ukraine granted access to Member States authorities to the web portal managing driving licenses.

#### **c) Impact on road safety**

The EU co-chair explained that Article 10(c) of the Agreement includes an important safeguard on threats to road safety. Either Party may take appropriate safeguard measures if it considers that transport operations carried out by road haulage operators of the other Party pose a threat to road safety. He reported that one Member State observed an increasing number of Ukrainian trucks committing certain offences, such as exceeding the speed limit, failing to stop at a red light, not respecting the legislation on the transport of dangerous goods.

Three Member States reported infringements related to the technical condition of the vehicles and road worthiness, social regulations (including driving and rest time) and the use of the tachograph. He concluded that these numbers seem to be high. He also reminded the Ukrainian side that Ukrainian vehicles are obviously subject to the payment of tolls – exactly in the same way as EU vehicles.

The Ukrainian co-chair explained that Ukraine takes road safety seriously. They organized a campaign to ensure that UA companies know the EU rules and operate in the EU. There are some exceptions possible under the AETR rules on driving and rest times for war situations.

#### **6. AOB**

The EU co-chair was seeking comments of Ukraine on the following issues:

- asymmetric operating costs between EU and Ukrainian road transport operators
- efficiency/organisation of Border crossing points as regards, in particular, the e-queue system and the crossing of empty trucks
- the functioning of e-Queue

Deputy Minister Taras Kachka explained that road transport makes up for 80% of the fuel imports from the EU to Ukraine and 100% of fuel imports were transported across the EU by road. Road transport also makes up for 70% of the pharmaceutical products import from EU to Ukraine and 80% of pharmaceutical imports was transported across the EU by road. In his view, transport by road will remain stable and possibly even grow.

Regarding the times during which EU trucks can stay in Ukraine, while waiting for the e-queue, he acknowledged that there may be fines after 21 days. But Ukraine has legislation and a procedure which makes it easy for hauliers to ask for an extension of the time limit to 60 days. In his opinion, the e-queue system works very well and drivers can easily ask for extensions.

There are several time slots for particular operations. They are trying to work with hauliers in the EU about issues of violating time slots. From this perspective, Ukraine has good procedures. They will try to make it simple in terms of extending the time limits. The Ukrainian representative said they would be glad to send official information to the Commission.

Licences are all trying to respect EU standards. Some rules of the EU acquis already apply in Ukraine (like on tachographs), others not.

About the functioning of the eQueue system, Ukraine has already more than 70,000 carriers in the Electronic e-Queue systems. The main challenge is the capacity of the border crossings, it is not enough. The border-crossings are not prepared for this kind of volume.

The impact of the strikes have made matter worse. Before waiting time was several hours. Now it is several hundreds of hours.

According to Ukraine, the e-queue system is very transparent. All the drivers can see plate numbers. Ukraine thinks this transparency will eliminate fraud risks.

The EU co-chair welcomed the declaration of the Polish State Secretary who said to be determined to solve this issue. Then, he asked a question about "call centers" replying to drivers in the e-queue.

The Ukrainian representative explained that they expanded the number of people working in call centers. It might not be an issue for a driver.

The EU representative suggested that the number of call centers should be known.

## **7. Conclusions**

The EU co-chair stated the following conclusions from the meeting:

1. The second Joint Committee on road transport was held on 18 December following the request of Ukraine.
2. The Parties discussed and agreed that the underlying conditions justifying both the original agreement and its extension until 30 June 2024 remain valid.
3. As regards the impact of the Agreement, the Parties noted that the Agreement had, as intended, contributed to a significant increase of Ukrainian exports by road to the EU. It has also contributed to an even higher increase of EU exports by road to Ukraine. As a result, it has contributed to a significant strengthening of the road transport links between the EU and Ukraine, reflected in much stronger and mutually beneficial trade flows.
4. With regard to the specific provisions set out in Article 5 of the Agreement (UA drivers' information) of the Agreement, the Parties agreed that their implementation did not raise

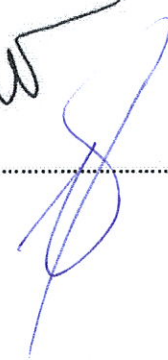





significant challenges. With regard to Article 10 (road safety), while reassuring at EU level, one Member State reported statistics and the need to keep the situation under review.

5. Moreover, while not within the scope of the Agreement, the Parties noted a number of issues arising from the implementation of the Agreement, including the impact on the market position of some EU hauliers.
6. The Parties agreed to pursue their cooperation to address these issues.

The Ukrainian co-chair agreed with the conclusions. They want to make the agreement effective. The EU co-chair said that the minutes will be circulated to the UA side for agreement.



Kristian Schmidt, Head of the EU delegation

Oleksandr Kubrakov, Head of the Ukrainian delegation.....

