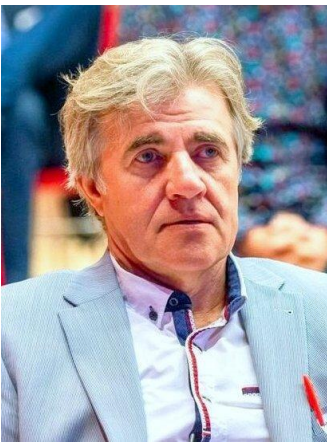


Hot June has been a very busy month

Andres Tootsman, Secretary General of ERAA



The ERAA Secretariat runs smoothly, be there summer heat outside or during the holiday period.

General assembly. Unfortunately, the general assembly convened on the 9th of June did not have the necessary quorum to vote and take decisions - 91 of 264 members were represented, but 106 would have been required to vote. The presentations were followed by a lively debate which clearly indicated that most of those present had been in complete ignorance of the activities of ERAA for a long time.

The repeated session of the general assembly of ERAA has been convened for the 30th of June, again in the premises of Tallinn Song Festival Grounds, and hopefully this time we can adopt a new version of the articles of association. This time the general assembly will also have simultaneous translation into Russian.

Council. The council meeting held just before the general meeting approved the activities of the management board so far and the action plan for 2021. On the same date the current head of the office, Ermo Perolainen, was elected as the second member of the management board of ERAA. The next meeting of the council will take place on the 7th of July and the main topic will probably be the budget. The minutes of the general assembly and council meetings are available on our website.

About the 2021 budget. Oh, what a complicated subject! After all, we are in a situation where a number of areas had been neglected and underdeveloped for a long time, including depreciated computer park and software, lack of budget and control in development of MobiCarnet platform and many other areas, lack of basic internal and external communication, lack of developed law, incomprehensible asset accounting, unspecified action plan and development trends, etc.

All this cannot be immediately restored or fixed and it is not free. We can plan the budget relatively specifically for fixed costs, but it is more difficult to close the gap in several areas. And then other one-time investments, including the need to celebrate ERAA's 30th birthday and cover its costs, to upgrade the entire ERAA working environment (HurRAA or E-ERAA), the buildings of Narva mnt 91 and Lühamaa complex are in need of maintenance and repair. And it is impossible to estimate the legal costs in a possible litigation with Interreg.

To ensure the sustainable operation of ERAA today and in the future, slightly more will need to be spent this year and probably next year than the revenue generated by the core business. All these fixed costs, one-off investments and other expenses cannot be left out today, as our contract with the Ministry of Economic Affairs and Communications will not last forever. In order to get the next contract we need to be significantly more capable than today, including in the field of various competencies and IT. The secretariat looks forward to the support of all members, including the council and supervisory board.

About ERAA competence centre. We have taken the first steps towards becoming a competence centre for carriers, still much remains to be done. For example, when implementing the future eTIR operating system, ERAA should also be capable of training. To this end, we are applying for project funding from the IRU Innovation Fund. In other respects, today's road transport training market is relatively full and we would probably not be able to compete with the Lithuanian and Polish driver in-service training prices.

Other activities. The most important task of ERAA, as the representative organization of road hauliers, is to represent the interests of the members and the entire industry, including in relations with the government and various agencies, as well as media and the public.

The carriers who participated in the round table meeting on the 14th of June raised the issues of competitiveness of Estonian carriers and the use of foreign labour, and as a result of the discussion ERAA addressed the Government of the Republic on the 21st of June, the full text of which can be found below.

On the 21st of June we once again met with the representatives of the Estonian Oil Association, Estonian Logistics and Freight Forwarding Association and Association of Automotive Companies to plan further joint actions against the forthcoming increase in diesel excise duty.

ERAA can best protect the interests of carriers if we have a strong and competent secretariat and an organization with a clear vision and specific lines of action. ERAA should have clear messages to its members and the public, constructive proposals to public authorities and transparency and consistency in all our activities.

ERAA GENERAL ASSEMBLY

will take place on 30 June 2021 from 12.00-15.00 in the premises of Tallinna Lauluväljak AS at Narva mnt 95. On-site registration starts at 11.30.

The meeting will have simultaneous translation into Russian.

Parking is possible on the territory of Tallinn Song Festival Grounds , entrance from Oru gate of Tallinn Song Festival Grounds.

AGENDA

1. Introduction
2. The President's overview of the activities of ERAA and its governing bodies
3. Report of the management board on the activities of the secretariat in 2021
4. Adoption of a new version of the articles of association
5. Election of commissioners (council members)
6. Other questions

ERAA's address to the members of the Government of the Republic

On 21 June 2021

*Prime Minister of the Republic of Estonia Ms. **Kaja Kallas***

Ministry of Economic Affairs and Communications of the Republic of Estonia

*Minister Mr. **Taavi Aas***

*Minister Mr. **Andres Sutt***

Ministry of Finance of the Republic of Estonia

*Minister Ms. **Keit Pentus-Rosimannus***

Ministry of the Interior of the Republic of Estonia

*Minister Mr. **Kristian Jaani***

The Association of Estonian International Road Carriers which unites the Estonian road transport companies proposes to convene an inter-ministerial meeting and/or establish a workgroup of representatives of several ministries and agencies to find quick solutions to bottlenecks that paralyze the international competitiveness of Estonian road transport and lead to the inevitable extinction of the entire transport sector.

Today, we are in a situation where road hauliers are finally lagging behind the ones of neighbouring countries, especially Lithuania and Poland. The difference in the export turnover of road transport between Estonia and Lithuania is almost 10 times and this difference is growing. The Estonian transport sector is no longer able to develop and maintain its current operating volumes, let alone grow. Already today, hundreds of our carriers are fighting for survival, and if this trend continues, Estonia will soon become a country importing road transport services.

Today, international road transport uses a very large amount of labour from outside the European Union. If uniform strict requirements have been set for the organization of road transport at the level of the European Union, then the rules for the recruitment of migrant labour can be established by each country independently. Unfortunately, today these rules are drastically different in Estonia and Lithuania, which is why Lithuanian companies employ about 65 000 drivers from outside the European Union, while there are only about 1 600 of them in Estonia.

In Estonia, recruiting foreign labour is extremely complicated and the procedure creates a very high administrative burden for both companies and the state.

In addition, it is stipulated that in case of short-term employment, a person can only work for 365 days and then have to leave the country for 90 days. D visas are issued for a maximum of 730 days, but enable to work for only 548 days. These time constraints are incompatible with the operation logic of the transport sector and do not take into account the human factor. This leads to the situation where we recruit and train employees, but later they find a new employer elsewhere, especially in Lithuania.

There is a huge inequality in the payment of wages. While in Lithuania and also in other countries the average salary of the sector can be paid to migrant workers, Estonian law prescribes the

payment of the average salary in the country. In Lithuania the average salary in the sector is about 600 euros, in Estonia it is over 1 000 euros, but the average salary in Estonia last year was over 1400 euros. The result is that an Estonian company pays more than twice as much labour taxes per each employee as many other countries in the region.

In order to increase the international competitiveness of Estonian road transport companies and thereby ensure the sustainability of the entire sector, we propose to:

- simplify the regulations for short-term employment and application / issuance of D visas for migrant workers and enable longer term work in international transport.
- establish a separate quota for residence permits or even a quota exemption for the transport sector.
- establish an obligation to pay the average wage in the sector, not the national average to migrant workers.

In addition, we note that road transport differs from most other areas in that a foreign driver employed by an Estonian company stays in Estonia either minimally (to start and stop driving) or not at all (if he constantly drives between two foreign countries). Thus, he does not live in Estonia, does not intend to move here himself or with his family and does not use most of the benefits and services offered by our state, but the taxes of the migrant worker are received by the Estonian state. As do the taxes of his employer.

The transport sector would be able to contribute to Estonia's GDP and the country's revenue base at least twice as much as is possible in today's competitive conditions. If today the export volume of the sector is 400 million euros and it is on a declining trend, then it would be realistic to increase this volume to 1 billion euros in the coming years under fair conditions of competition.

The additional revenue and profits generated under fair conditions of competition would enable hauliers/operators not only to compete more successfully at international markets, but also to contribute to the purchase of more modern and environmentally friendly vehicles and to the improvement of working conditions for workers.

We believe that the survival and successful coping of the Estonian road transport sector is strategically important for the country. Should a more serious crisis or emergency occur (as we saw at the height of the coronary pandemic, when several countries closed the borders and each stood for itself), it is important that our country maintains its own transport capacity so that vital and other goods and passengers can be transported in every situation.

We sincerely ask for your understanding and help, and look forward to hearing from you soon.

We are immediately ready to participate in the relevant discussions and working groups.

Yours sincerely, **Andres Tootsman**

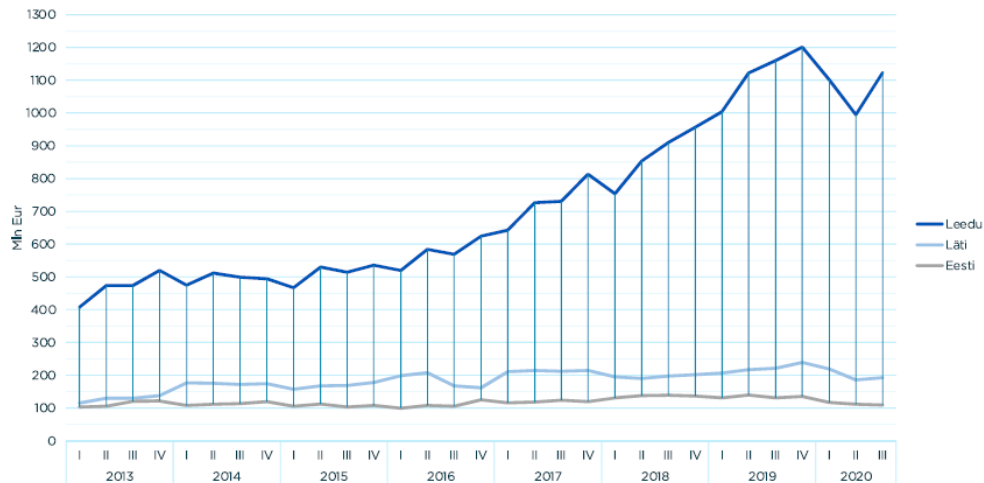
Chairman of the Management Board/Secretary General of ERAA

Yours sincerely, **Jaak Kivisild**

President/ Chairman of the Supervisory Board of ERAA

Appendix to the address: comparison with neighbours

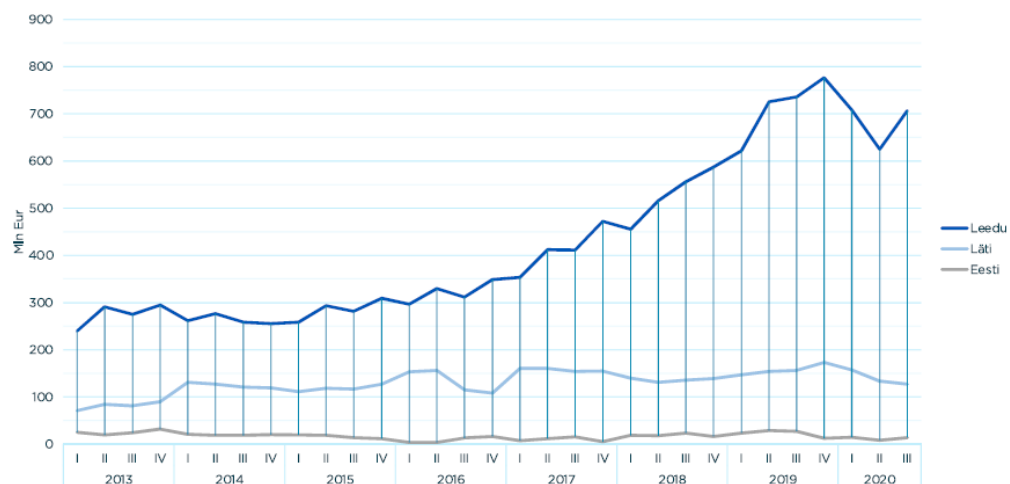
Maanteetransporditeenuste eksport



Allikas: riikide keskpankade maksebilansside andmed

Maanteetransporditeenuste saldo – palju riik tulu teenib

Ekspordi ja impordi vahe



Allikas: riikide keskpankade maksebilansside andmed

The slides originate from the study “**Comparative Competitiveness Assessment of the Estonian Road Transport Sector 2021**” completed under the leadership of OÜ FinTruck, which we used in compiling the address.

The full text of the study can be downloaded here: [Maanteetranspordi konkurentsivõime hinnang 2021](#)

Picks from the media

Tallink's owner Enn Pant: if the new government promised tax peace, it should be kept (ERR 01.06.)

<https://www.err.ee/1608230985/tallinki-omanik-enn-pant-kui-uus-valitsus-maksurahu-lubas-voiks-seda-pidada>

"Finally, our carriers were also able to compete normally": the increase in excise duty will once again deprive of the competitiveness of Estonian carriers (Logistikauudised 01.06.)

<https://www.logistikauudised.ee/uudised/2021/06/01/lopuks-oli-ka-meie-vedajatel-voimalik-normaalselt-konkureerida-aktsiisitous-viib-taas-eesti-vedajate-konkurentsivoime>

Aivar Kokk: let's press the brake on the increase in excise duty (Äripäev 03.06.)

<https://www.aripaev.ee/arvamusd/2021/06/03/aivar-kokk-tombame-aktsiisitousule-pidurit>

Logistics sector payroll report | First quarter of 2021 (Logistics news 08.06.)

<https://www.logistikauudised.ee/uudised/2021/06/08/logistikasektori-palgaraport-2021-aasta-esimene-kvartal>

Estonian foreign trade has already reached the pre-crisis level (ERR 09.06.)

<https://www.err.ee/1608241239/eesti-valiskaubandus-on-joudnud-juba-kriisieelsele-tasemele>

Entrepreneurs went into battle against the increase in excise duty (Äripäev 09.06.)

<https://www.aripaev.ee/uudised/2021/06/09/ettevotjad-laksid-aktsiisitousu-vastu-lahingusse>

The Estonian road transport sector is taking steps to make the sector more environmentally friendly (ERR 15.06.)

<https://www.err.ee/1608246966/eesti-maanteeveo-sektor-astub-samme-et-muuta-valdkond-keskkonnasobralikumaks>

Taavi Aas pushes climate reform in transport: pollution and road use should be paid for (Eesti Päevaleht 15.06.)

<https://epl.delfi.ee/artikkel/93742917/taavi-aas-lukkab-kliimareformi-transpordis-saastamise-ja-tee-kasutamise-eest-peaks-maksma>

The volume of freight transport by road decreased by a fifth during the year (Logistikauudised 18.06.)

<https://www.logistikauudised.ee/uudised/2021/06/18/kaubavedude-maht-maanteedel-vahenes-aastaga-ligi-viiendiku>

The owner of the transport company admits the gradual waking up from coma (Logistikauudised 21.06.)

<https://www.logistikauudised.ee/uudised/2021/06/21/transpordifirma-omanik-tunnistab-koomast-tasapisi-arkamist>

34-meter-long car trains should also be allowed on Estonian roads (Logistikauudised 24.06.)

<https://www.logistikauudised.ee/saated/2021/06/24/eesti-teede-tuleks-lubada-ka-34-meetri-pikkused-autorongid>

ERAA Newsletter is the monthly bulletin of the Association of Estonian International Road Carriers

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