The GCC's Dangerous Goods Road Transport Regulations Solution

The Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR)"

Introduction

The Gulf Petrochemicals and Chemicals Association (GPCA) was formed in 2006 by the leading chemical manufacturers from across the Gulf Cooperation Council (GCC) member countries. Since its foundation GPCA has expanded to have thirty-five (35) Full Members, that are companies with manufacturing facilities in GCC region and two hundred and fifteen (215) Associate Members who are largely International Producers, Chemical Sector Service Providers and Business Partners. GPCA is recognized as the "Regional Voice of the Chemical Industry".

One of the GPCA success factors is the adoption of the Global Chemical Industry's Responsible Care Program, which drives continuous improvement in environment, health, safety and security (EHSS) standards. To meet this goal, the chemical industry recognizes that the key challenge is managing activities beyond the manufacturing fence line, i.e. the chemical supply chain and logistics, including inbound goods (raw materials and process chemicals) and outbound goods (finished and intermediate products).

Chemical manufacturing in the GCC has grown from sixty-two (62) million tons in 2005 to one hundred and fifty (150) million tons in 2016 and this growth is expected to continue. It is conservatively estimated that approximately 20% (30 million tons) of petrochemicals and chemicals are classified as dangerous for transport. Considering a large proportion (50%) have a component of road transportation, this results in an estimated 15 million tons or 1.5 million consignments of GCC dangerous goods road movements per year, excluding inbound goods, by-products or waste movements.

The increase in dangerous goods being transported by road does not only apply to the chemical industry, but also other sectors including; oil and gas, mining, nuclear, radioactive, munitions, consumer goods and waste.

The GCC suffers from a relatively higher level of road traffic accidents compared with developed economies, e.g. six (6) times higher than the UK (WHO 2015). The combination of this high volume of road accidents and unregulated vehicles carrying dangerous goods significantly increases the risk of a major incident. Such an incident may not only result from a road traffic accident, but there is also the potential for an act of terrorism, arising from poor security controls of consignments.

1. Industry Impact

In accordance with specific EHSS regulations and requirements of Responsible Care, Chemical Manufacturers in the GCC Region have invested significantly in their facilities, employees and processes, however, the biggest challenge for chemical manufacturers is controlling activities outside of their installations, including dangerous goods being transported from and to their manufacturing sites.

To reduce the risk the chemical sector has introduced their own industry best practices, based on global industry standards, for their LSPs, as detailed in section 3. However, the lack of consistent and coordinated regulations and standards across the GCC impacts on industry in the following ways:

- Industry is restricted to implementing best practices, which leads to inconsistency. Therefore, there is a great willingness to support Governments to develop regulations and support economic development;
- Industry has limited influence on LSPs to adopt improved and consistent standards;
- Inconsistent standards of equipment and training, particularly in the event of an incident;
- Increased risk to LSPs employees, members of the public and the environment;
- An increased burden on industry to monitor standards when the goods are in transit and when crossing borders;
- A risk to both industry and individual company reputations;
- The inability to compete with manufacturers and distributors from other emerging economies, who have not adopted industry best practice and standards for the road transport of chemicals, i.e. distributing within the GCC at lower costs using of sub-standard packaging, drivers, vehicles and practices.

2. Impact on other Stakeholders

The transport of dangerous goods by road involves a broad range of stakeholders both inside and outside manufacturing and logistics sector, namely, Governments, the public, packaging manufacturers and equipment manufacturers (vehicles, trailers and tankers). Stakeholders and consequently industry are impacted in various ways such as:

- Development of sub-standard LSPs, services and equipment;
- Creation of an unequal market place where there is no incentive for high quality service providers to invest in improving standards;
- Lack of development of service industries and regulator expertise;
- Limited awareness of the topic, despite higher expectations from both the public and emergency services, who are potentially exposed to incidents on our roads;
- Obstacles to trade between GCC countries and countries outside of the region due to a lack of certainty regarding what regulations will be applied when goods, packaging and vehicles transit to the GCC or across GCC boundaries.
- Consequently, the lack of coordinated dangerous goods road transportation regulations across the GCC is creating inconsistency in levels of service provision. This in turn is creating unfair market conditions, is hindering investment and importantly, is obstructing the development of a professional dangerous goods transport sector.

3. Current Situation

Governments have a social responsibility to regulate the transport of dangerous goods. Authorities in various GCC countries have attempted to implement regulations, referencing best practices, however, none have been successful in establishing, implementing and enforcing a regulatory framework, or are pursuing a standardised GCC-wide solution.

GPCA has introduced and adapted global best practices for its Member Companies, enabling them to reduce risk, meet corporate commitments and help to overcome the lack of consistent regulatory standards. The following are examples of GPCA's contribution to the improvement of standards:

- "Responsible Care", the globally recognized corporate commitment to sustainable improvements in EHSS, was adopted by GPCA manufacturers in 2009, and is now being made available to LSPs. This effort has attracted global industry recognition;
- The Safety & Quality Assessment System (SQAS) developed in Europe, has been adapted and applied to the logistics sector in the form of Gulf Sustainability & Quality Assessment System
- (G- SQAS) for Transport (Road), Warehousing, and Tank Cleaning operations, with extensive third-party assessment that measures an LSPs compliance with international standards, including ADR;
- Introduction of an industry award to recognize best performers;
- Member Companies and Governments are adopting aspects of ADR as best practice, such as specifying ADR standard tanks in logistics contracts;
- The GPCA has formed a cross industry and government "Dangerous Goods Road Transport Regulations (DGRT) Task Force" to develop a case and methodology for establishing a GCC-wide regulatory framework starting with this position paper;
- Dangerous Goods workshop held in September 2015 with over 100 attendees, a first in the region;
- Support of a training event for Dangerous Goods Safety Advisors (DGSAs)

4. Proposal to Address the Issue

GPCA proposes that the GCC Countries adopt" The Agreement Concerning the International Carriage of Dangerous Goods by Road" (ADR), first introduced in 1957 and based on the UN Recommendations on the Transport of Dangerous Goods Model Regulations (the Orange Book).

In terms of justification for this recommendation, ADR has already been adopted as the regulations for the transport of dangerous goods by road, in forty-eight (48) countries, of varying levels of economic development, across three (3) continents.

If implemented throughout the GCC the ADR Regulations would facilitate trade within the GCC and between the GCC and other ADR countries, including Europe, which is one of the GCC's largest and most important trading partners. It may also stimulate countries of North Africa and the Levant, who are understood to be considering ADR, as indicated by the International Road Transport Union (IRU) to commit, benefitting the wider region. There are already dangerous goods movements by road between Europe and the GCC, transiting countries immediately to the North.

There are also synergies with other modes of transportation as the International Maritime Dangerous Goods (IMDG) Code and the International Air Transport Association (IATA) Regulations, are also based on the "UN Orange Book". These regulations are already enforced on consignments shipped to and from the GCC, offering consistency and familiarity across industry. The Regulations concerning the International Carriage of Dangerous Goods by Rail (RID), which would be suitable for the developing GCC rail network, are also consistent with ADR and other "carriage" regulations.

The ADR Regulations governing the carriage of dangerous goods by road includes, or provides guidance on the following:

- Classification of dangerous goods including new products such as solutions or mixtures and items;
- Security measures and precautions to minimize the theft or misuse of dangerous goods;
- Design, manufacture, use, maintenance and testing of packaging;
- Design, manufacture, use, maintenance and testing of tanks and vehicles;
- Labeling of packages and vehicles and documents to accompany the load;
- Training of vehicle crew (drivers) and others involved in the carriage of dangerous goods;
- Loading and unloading of dangerous goods;
- Standard of equipment, arrangements, guidance and reporting of incidents

ADR is administered by the United Nations Economic Commission for Europe (UNECE) and its ongoing development undertaken by an international committee of experts called Working Party 15 (WP15), with the experts representing member countries. This means that burden of the maintenance of the Regulations is not solely the responsibility of each individual member country, only the support and the input of revisions and the application of the regulations and any derogations in their own country.
The regulations are revised and reissued every two (2) years.
The UNECE has also produced the "ADR - Road Map for Accession and Implementation" which provides guidance for any country wishing to adopt ADR, the principals of which have been included in GPCA's methodology.

Way Forward

GPCA proposes that the Chemical Industry, in collaboration with the GCC Governments, advocate the implementation of dangerous goods road transport regulations throughout the GCC in the most practical regulatory framework and enforcement regime possible, based on the "ADR - Road Map for Accession and Implementation". The Implementation of ADR will lead to improved EHSS standards and performance as well as drive economic benefits for all concerned GCC countries.

Produced by:
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