



Intelligence Briefing

Driver Shortage Global Report 2022

Understanding the impact of driver
shortages in the industry

IRU Members get **Intelligence**

Get access to more mobility and logistics market trends, data, reports, positions, to anticipate and address regulatory, business and operational opportunities or issues.

Understand and explore the changes in logistics and mobility with our industry and market intelligence reports. Harness the collective knowledge of our members and receive live updates on regulatory, market and operational issues.

IRU Intelligence Briefings explore facts, figures and views on a range of topics in road transport, in an easy-to-read format.

iru.org/membership

Driver shortage is a chronic and serious global issue

Shortages affect passenger and goods transport operations, impacting the mobility of people and, in particular, logistics and global supply chains.

The impact of driver shortages is not only felt by transport operators and in the services they provide.

Knock-on effects ripple quickly throughout supply chains, affecting consumers and businesses.

Executive summary

Over 2.6 million truck driver jobs were unfilled in 2021 in surveyed countries¹, and the shortage is set to soar in 2022.

Truck driver shortage has increased in 2021 in all regions surveyed except Eurasia. It was most acute in Eurasia and Turkey, where 18% and 15% of driver positions were, respectively, unfilled in 2021. Mexico and Argentina were the least affected with 8.6% of truck driver positions unfilled.

Transport companies forecast truck driver shortages to continue increasing in 2022.

The only exceptions will be China and Argentina, where they will remain virtually stable. This will be

driven by continued economic recovery (4.2% global GDP growth forecast for 2022, even if economic growth will slow compared to 2021), persistent road freight supply and demand tensions, and a contraction of the available driver workforce (due to demographic factors as well as difficult working conditions and training and qualification challenges).

Eurasian companies expect that 26% of truck driver positions will remain unfilled in 2022. This exceeds 2019 levels (24%), while the shortfall is expected to reach 14% in Europe, 11% in Mexico and 18% in Turkey.

Globally, truck driver shortage remains a structural problem, and is expected to be a factor limiting road freight industry growth in 2022.

1. In the scope of countries surveyed: United States, Mexico, Argentina, Europe (Spain, Italy, France, UK, Ireland, Germany, Poland, Romania, Belgium, Netherlands), Eurasia (Russia, Uzbekistan, Ukraine), Turkey, Iran, China

Bus and coach driver shortage will steadily rise in 2021 and 2022, along with demand recovery.

Road passenger transport demand has started to recover as vaccination rates grow, number of COVID cases decrease and mobility restrictions ease.

Urban and short-distance road passenger transport have been the least impacted segments and the ones where recovery is and will be quicker.

On the other hand, longer-distance services will take longer to recover; tourism being the sector most impacted by the pandemic.

However, travel and agency services revenue growth was already positive in 2021 (4%), and it is expected to accelerate in 2022 (10%), even if revenues will remain far from 2019 levels (-20%).

Bus and coach driver shortage is slowly but steadily increasing, even if it will still be far from pre-pandemic levels in 2022.

In Europe, 7% of bus and coach driver positions were unfilled in 2021, and bus and coach companies estimate that shortages will further increase in 2022 to reach 8% of unfilled bus and coach positions.

In all regions, less than 3% of truck drivers are women, except in China (5%) and in the United States (8%).

The proportion of women drivers remains very low in all regions, especially compared to the overall transportation industry benchmark: over 8% of transportation employees are women overall, and even over 20% in some regions (Eurasia, Europe and United States).

In the bus and coach segment, even if the share of women drivers was a bit higher in Europe compared to the freight segment, women

representation fell from 16% in 2020 to 12% in 2021.

The entire transport industry is struggling to attract young people.

There were encouraging signs in Mexico and China, where 19% and 17% of truck drivers, respectively, were below 25 years old.

Elsewhere, the share of young drivers was below 7%. The situation is particularly severe in the passenger segment, where the share was below 3% in both Europe and China.

The main reasons for these low

numbers are the ageing population, the minimum legal age to access the profession, which goes up to 21 and even 26 years old in some countries, together with the attractiveness of the profession.

The pandemic has also negatively impacted the number of new young drivers accessing the profession in many countries.

Given the high proportion of older drivers approaching retirement, the shortage of drivers will continue to rise dangerously if no action is taken.

Only China's freight transport sector fares better in this respect, with a share of young drivers that is higher than the proportion of drivers over the age of 55.

Over 50 million people were unemployed in 2020 in the countries and regions analysed, representing an available workforce that could largely cover the existing gap.

Additional measures to make the profession more attractive could help to reduce unemployment, especially youth unemployment, which is well over 30% in some countries.

Operators (passenger and freight) from most regions see the lack of qualified drivers as the main cause for the driver shortage.

Freight companies also agree that in order to address the shortage of drivers, governments should prioritise measures to improve working conditions (improve parking facilities, treatment of drivers at delivery sites, etc.).

In the case of the passenger segment, companies consider that measures to address the shortage should focus on facilitating access to the profession.

The impact of the Ukraine war

The present study was conducted before the start of the Ukraine war. Therefore, the impact on economic growth, transport demand and revenues as well as driver shortage is not reflected in this document.

The outlook is extremely uncertain as the war is ongoing, but the conflict and related

sanctions will affect the region's economies by restricting both exports and imports, and changing the terms of trade.

The conflict will have wide-ranging effects on external trade in Central and Eastern Europe and Central Asia. The freefall of the exchange rate of the Russian rouble has already affected some connected currencies, while additional, partly drastic, adjustments are bound to follow.

Exports from some Central Asian and South Caucasus countries, such as Armenia and Kyrgyzstan, as well as Turkey and selected European

economies, are expected to decline severely from lower Russian demand, or feel the impact of Western sanctions indirectly.

Weaker Russian growth will further suppress Russian imports, and there will be indirect impacts on the countries most dependent on Russia due to higher oil prices and exchange rates.

According to Forbes, the Ukraine war could leave the world facing extended reductions in energy supply, severe sanctions that will likely impact food security, as well as rare

Sources: IHS Markit, Forbes, Transport Intelligence, IRU

metal supplies needed to sustain production of key technologies. Russia produces 14% of global aluminium, and over 40% of the world's palladium, one of the main resources in the production of semiconductors. Computer chips also require neon, of which Ukraine produces over 70% of the world's total supply. In addition, the two major purifiers for Russian and Ukrainian neon are in Odesa, an area where access is now virtually impossible. This means the conflict can have a wide-scale global impact, as disruption of such supplies would reach countries further afield.

In addition to goods trade mentioned above, service trade will also be affected. Tourism in Turkey, Croatia, Georgia, Montenegro and Bulgaria is likely to suffer from lower Russian and/or Ukrainian revenues. While tourism in these countries has just started to show signs of recovery from the shock from the COVID-19 virus pandemic, they are facing a new challenge.

The conflict might also have an impact on driver shortages.

As of 24 February 2022, Ukraine announced a state of military emergency, which automatically imposed a ban on 1 to 60 years old men leaving the country. **Ukrainian men, including those working as truck drivers** that were in the country at that moment, **were unable to leave the country. Many Ukrainian men living and working outside Ukraine (including truck drivers) have also returned to their home country.**

On the other hand, there were also cases where, given the situation,

resident cards or working visas of Russian and Belarusian drivers were not extended, and some employers in Europe have terminated labour contracts with Russian and Belarusian drivers.

Poland and Lithuania are the EU countries employing the highest number of non-EU drivers: from the total of 228,000 driver attestations in road freight transport in circulation at the end of 2020, 103,000 were issued in Poland (45%) and 67,000 in Lithuania (29%). In Poland, nearly 30% of drivers working in international

transport are foreign and come mainly from non-EU countries. The majority of those drivers are Ukrainian (around 75%) and Belarusian (around 20%). In Lithuania, the majority of third-country drivers are also Belarusian, Russian and Ukrainian.

This means that, on top of the drivers that were missing at the end of 2021, more than 166,000 truck drivers from Ukraine, Belarus and Russia who were working in Europe, may have left or lost their jobs due to the war. This worsens the driver shortage problem in Europe further than what was forecasted for 2022.

On the other hand, as drivers return to their countries (Russia, Belarus), driver shortages in those countries might be eased.

However, sanctions and restrictions have significantly reduced the range of goods available for transportation in both directions. **Limitations on transit and potential closing of border crossing points may lead to a historical decline in loaded trips, meaning the market will need less**

operators, vehicles and drivers. As a result, driver shortage in Europe might not increase.

Nonetheless, if European companies have trucks (owned or leased under long-term contracts), they need to keep moving in order to make profit or at least cover costs. Companies will need to redirect their activities to other routes/markets in order to avoid bankruptcy. They can find opportunities within the European internal market, and/or they can diversify their operations to other international markets (such as Turkey).

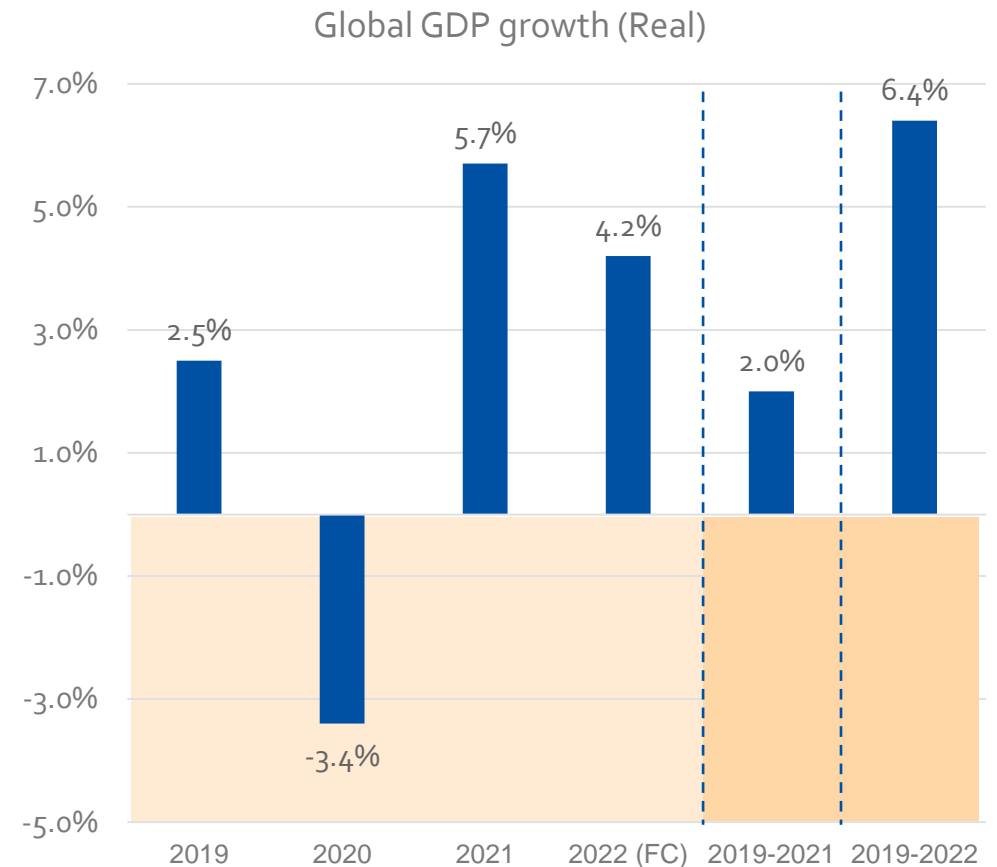
In the first case, it could alleviate the current lack of transport capacity we have been witnessing in the past months, caused by pent-up demand due to the pandemic. However, in the long term, once demand stabilises, the European market may have little space for newcomers.

A number of companies may succeed, in which case they will need drivers to drive their trucks (thus increasing the need for drivers), while others may fail, and their drivers will be available to cover the pre-existing truck driver gap.

Freight transport

Global economy ahead of pre-pandemic levels already in 2021 and slowing down in 2022

- In 2022, global economic growth will slow. After a 3.4% contraction in 2020, the world's real GDP rebounded to an estimated 5.6% in 2021, reaching a new high in the first quarter, but is projected to slow down to 4.2% in 2022.
- Two years after the pandemic, COVID-19 continues to disrupt the global economy in several areas—public health, work, education, travel, consumer spending patterns, production of goods and services, and international trade flows. Just as regions were recovering from the Delta variant, the Omicron variant emerged, sending global COVID-19 infection rates to new highs. In early 2022, economies are adapting to the new, highly contagious variant. While considerably milder than previous strains, Omicron is dampening supply and demand in the most affected regions, delaying the resolution of market imbalances.



Supply chain bottlenecks and labour shortages contributing to rising inflation

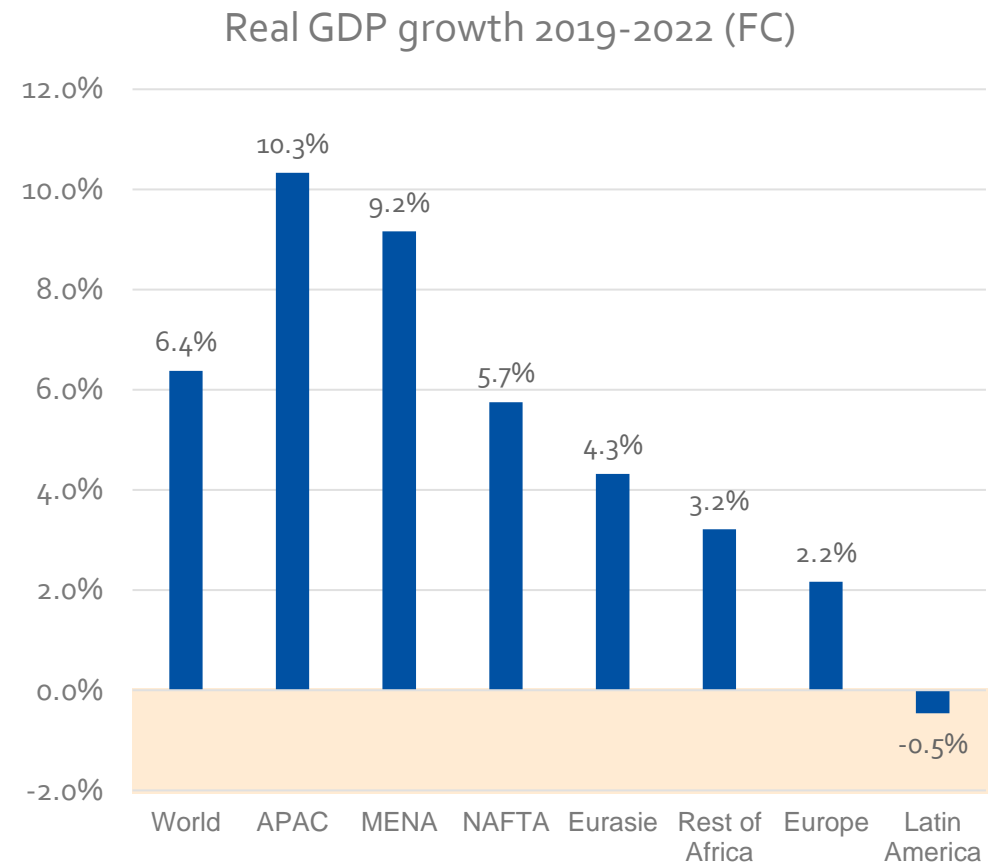
With shipping bottlenecks and some critical supply shortages persisting, global price inflation should remain high in 2022.

Global consumer price inflation reached 5.2% year on year in November and December 2021, its highest pace since September 2008. Worldwide inflation will likely remain near 5.0% in early 2022 before gradually easing in response to declines in industrial and agricultural commodity prices. On an annual basis, global consumer price inflation picked up from 2.2% in 2020 to 3.8% in 2021 and will average 4.1% in 2022 before subsiding to 2.8% in 2023.

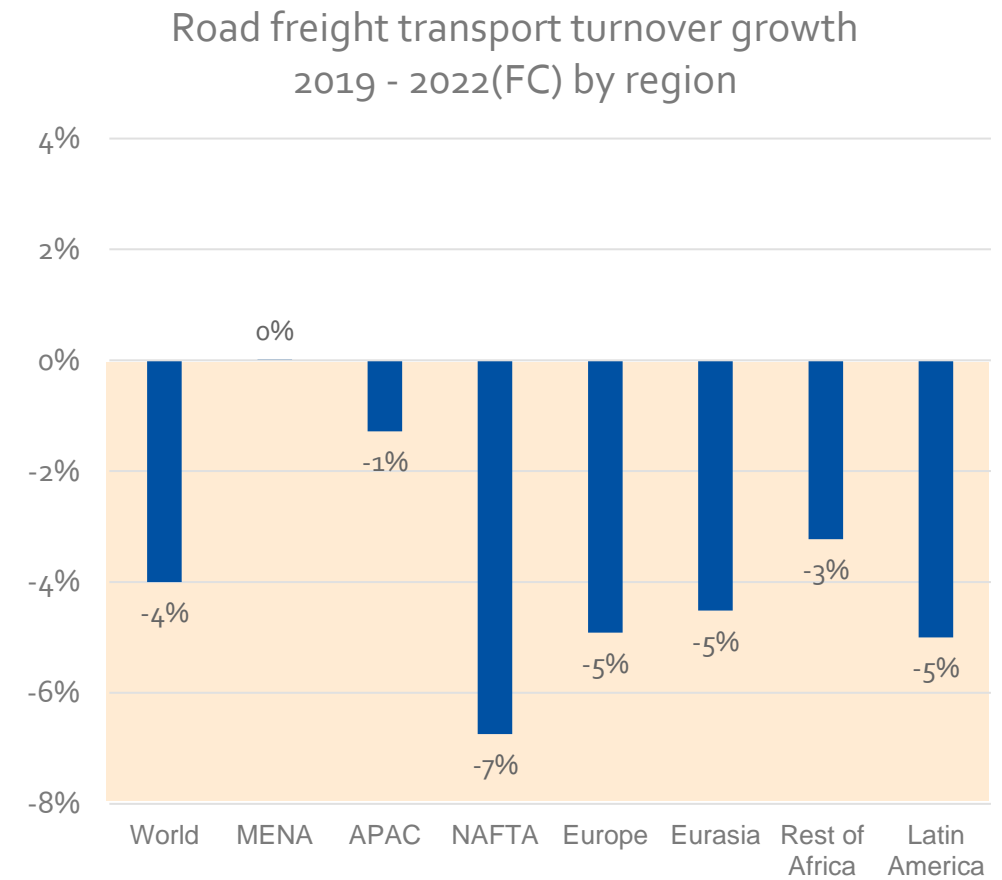
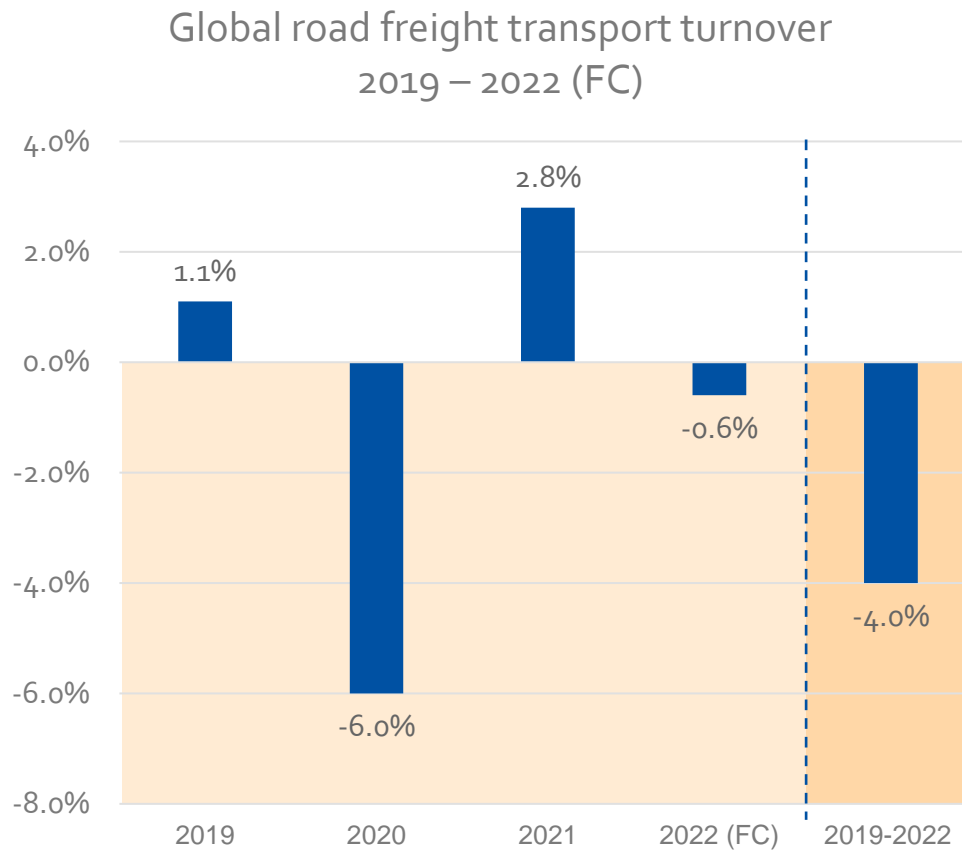
Labour shortages are also contributing to the rise in inflation. In the United States, labour force participation remains below pre-pandemic levels and job vacancy rates have risen to record highs. Across Europe, COVID-19 has disrupted migrant labour flows. Mainland China's zero-COVID policy and demographic shifts are restricting labour supply. Wage pressures are most acute in service sectors where workers are most exposed to the COVID-19 virus. The business implications of labour shortages and continuing supply chain disruptions are more automation of labour-intensive processes, near-sourcing of supplies, and a reconsideration of lean inventory policies.

All regions will recover in 2021, except Europe (will reach pre-pandemic levels in 2022) and Latin America (in 2023)

- The GDP of all regions is forecasted to grow in 2022. The Middle East and North Africa (MENA) and Asia-Pacific (APAC) are expected to see the strongest growth.
- Similarly to the widespread 2021 rebound, most regions will experience a deceleration in 2022. A notable exception is the Middle East and North Africa, where higher oil export revenues will spark a growth upturn.



Global road freight transport industry turnover not yet back to 2019 levels in 2022



Source: IHS Markit, Eurostat, OECD

Only MENA will recover pre-pandemic trucking revenue levels in 2022

After plummeting by 6% in 2020, global trucking industry revenues rebounded by 2.8% in 2021. All regions benefited from this positive trend, with Latin America and APAC regions experiencing the greatest growth. However, no region will reach its pre-pandemic revenue level in 2021.

In 2022, projections show a light contraction of global trucking industry revenues (-0.6%). This can be attributed firstly to a lowdown in the retail sector, as consumer spending is expected to move from products to services. Secondly, to labour and driver shortages, which will continue to limit growth.

APAC and MENA regions will be the only ones showing positive growth. As a result, industry revenues will still remain behind pre-pandemic levels at the end of 2022, with the exception of MENA.

The COVID pandemic continued to create supply chain issues in 2021, and the trend might continue into 2022 due to uncertainty around new variants of the virus.

The market had to deal with a succession of supply and demand side shocks that had repercussions on the entire supply chain, and particularly on transport.

On the demand side, road freight demand is highly dependent on retail and manufacturing.

Since the beginning of the COVID crisis, **manufacturing has been disrupted by a variety of different factors.**

1. Government lockdowns led to the suspension or reduction of production at many manufacturing locations across Asia. Additionally, limitation in electricity usage by Chinese authorities due to coal shortages also contributed to a drop in output (of up to 20%).

2. On the other hand, some emerging market exporters have faced difficulties in accessing trade finance, which is key to the functioning of many global supply chains.

3. Consequently, shortages of semiconductors and other intermediate goods, delays in supplier delivery times and bottlenecks in shipping have hit production in many industries.

As a result, the automotive sector has been especially affected by disruptions, with large production

cuts despite strong global demand. The automotive sector is of particular interest because it plays a major role in the manufacturing sector in many countries, and accounts for a sizeable share of GDP. The current supply shortage for motor vehicle manufacturers may continue well into 2022. Indeed, it will take semiconductor makers at least six to nine months to realign production, which was shifted at the beginning of the pandemic from supplying automotive producers (who cut orders in anticipation of lower demand), to producers of electronic and communication equipment.

Sources: IHS Markit, Transport Intelligence, Logistics Management

A series of challenges have impacted capacity, limiting road freight market growth

This challenging manufacturing environment has been exacerbated by irregular demand from Western customers.

The result has been a stop-start pattern for both orders and fulfilment, causing serious issues with inventory management and capacity planning of shipping lines.

Whilst 2020 and 2021 have undoubtedly been challenging years for the retail industry, **the pandemic pushed e-commerce sales to reach unprecedented highs**. According to

Transport Intelligence, worldwide e-commerce sales were up 27.6% in 2021 compared to 2020, and the e-commerce logistics market grew by 27.3%.

Global industrial production and consumer retail spending are above their corresponding levels in 2019, but momentum has eased.

On the supply side, a series of challenges have impacted capacity, limiting road freight market growth:

1) Port congestion (but also on roads and at airports): stimulus packages,

consumer buying behaviour and spending power, a lack of containers and chassis, workforce absences, outdated operating practices plus a long-term underinvestment in transport infrastructure have meant that many ports around the world have struggled to cope with much higher volumes than normal, and shipping rates have risen exponentially.

Orders of new ships will only come on-line in 2023, probably after demand has declined. However, the entire industry will need to become far

Sources: IHS Markit, Transport Intelligence, Logistics Management

more flexible, agile, more automated and digitised if it is to deal with new levels of volatility likely to become the norm in a post-Covid world.

2) Increase of fuel costs: road carriers have also been impacted by a large increase in fuel costs in 2021, which make up one third of their operating costs (but with recent increase in the price of diesel in 2021, fuel costs may be approaching 50% of truck operating costs), especially in Europe and the US.

Road freight is the transport mode most vulnerable to higher fuel prices,

as it remains quite energy intensive, and it is probably the most important factor for rising freight transport costs. Diesel prices were up by 23% in the European Union¹, and 37% in the US².

Many SME operators, (who make up the majority of the road freight market both in North America and Europe) were unable to move their trucks as they could not pass on this fuel increase to their customers. This has tightened the road freight supply side and, thus, increased road freight prices, which have reached record highs in Europe and North America.

The European Road Freight Rate Index benchmark – calculated by Transport Intelligence (Ti), Upplify and the IRU – reached 108.3 in the fourth quarter of 2021. This was the fifth consecutive quarter of growth and the highest level reached by this index since its inception in 2017.

3) Driver shortages are constraining road freight transport market growth, and this trend is expected to continue in 2022. They have been affecting the global road freight market for a long time, but COVID-19 disruptions have made them much more visible and have revealed how they can impact

the real economy. The shortage of drivers has put upward pressure on driver salaries, which make up about one third of road carriers' transport costs, especially in Europe and the US.

4) Delays in the delivery of new trucks have also led to disruptions in road freight transport. In the spring of 2020, the pandemic halted investment in rolling stock for most transport companies. Then, as demand continued to remain at a relatively high level, orders picked up again at the end of 2020 and early 2021.

On the other hand, manufacturers had limited capacity due to the shortage of semi-conductors and delivery delays and shipping bottlenecks. The increase in demand also concerns tyres and semi-trailers.

The combination of solid demand and the reduction in supply has placed upward pressure on prices. New and used vehicle prices have risen substantially this year in several countries, especially the United States.

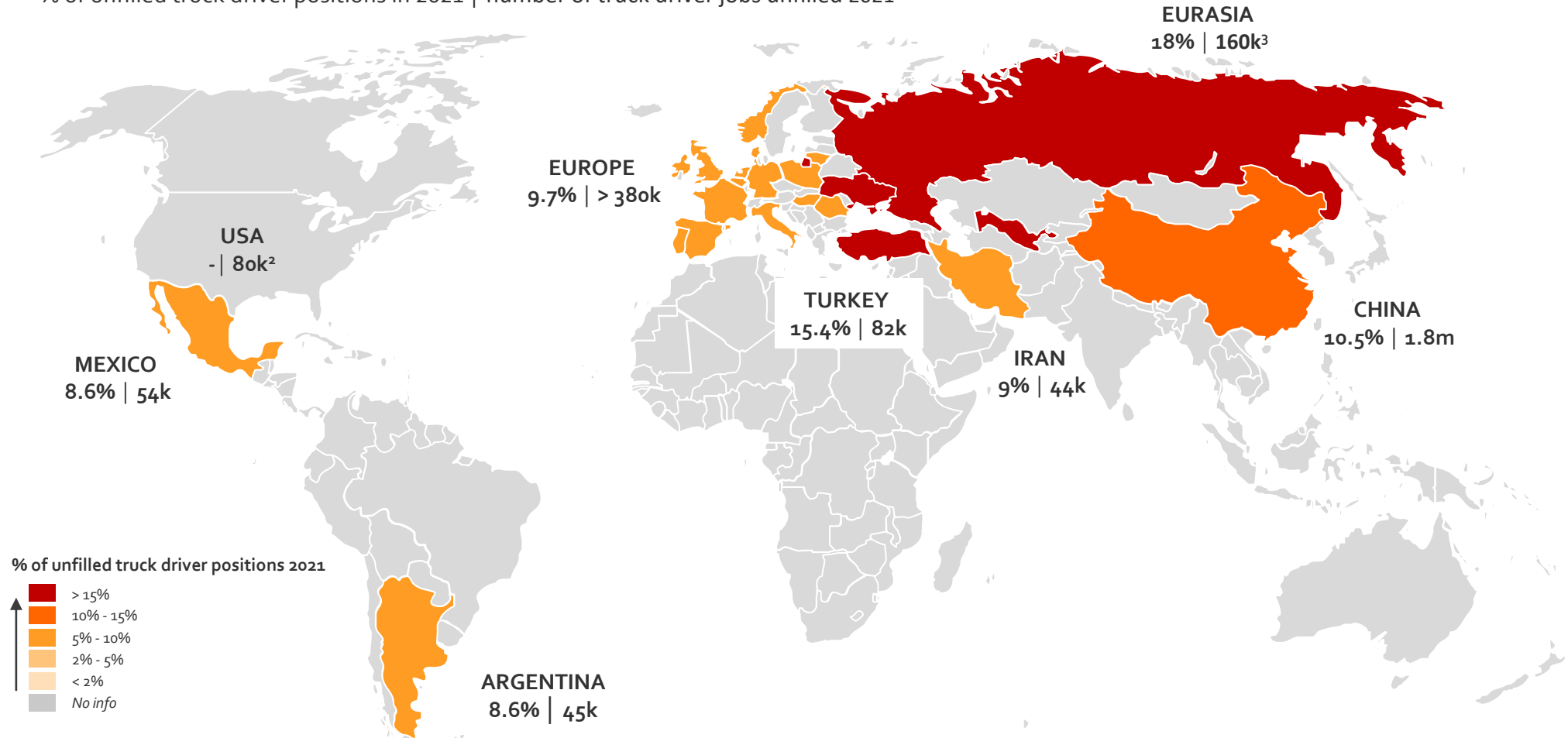
Truck driver shortage

Over 2.6 million truck driver jobs were unfilled in 2021 in surveyed countries.

2.6 M

Increased truck driver shortages in 2021 across all regions

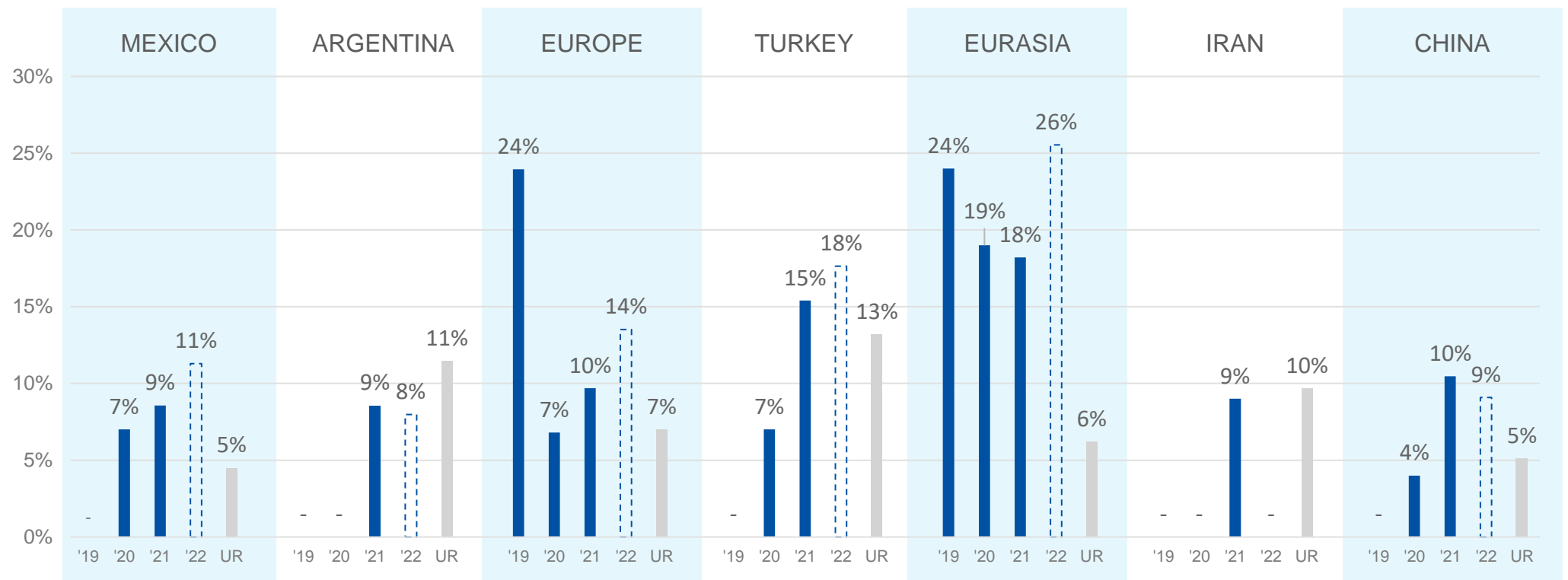
% of unfilled truck driver positions in 2021 | number of truck driver jobs unfilled 2021¹



Source: IRU survey 2021 and national road transport associations; 1. Unfilled truck driver jobs calculated based on the total number of truck drivers in each country, and the share of unfilled positions reported by road freight transport companies' answers (more details in methodology); 2. For USA, showing number of truck drivers missing (estimated driver demand minus driver supply, source ATA 2021) instead of number of truck driver jobs unfilled (average % of driver positions unfilled out of total drivers needed for companies surveyed); 3. Estimation based on number of trucks and share of trucks reported to be stopped due to a lack of drivers (RG.RU)

Truck driver shortages continue to grow, moving back to pre-pandemic levels in Europe and Eurasia

% of unfilled truck driver positions 2019-2022 (FC)¹, unemployment rate (UR) 2020²



1. IRU survey 2021, FC = forecast (for 2022); 2. Eurostat (for Europe, EU-27 unemployment) and ILO 2020 (except China – urban unemployment rate 2021, China's National Bureau of Statistics)

Increasing shortages despite wage increases and available workforce

In general, we observe an increase of the share of unfilled truck driver positions in 2021 across all regions (except Eurasia), which is expected to rise further in 2022 (except in Argentina and China, where it will remain virtually stable). In Eurasia, the shortage of drivers will exceed pre-pandemic levels, with over 25% of truck driver positions being unfilled.

This is the result of increased demand expected for 2022, as well as the ageing of the truck driver population, which is not being replaced with new entrants.

Over 50 million people were unemployed in 2020 in the countries and regions analysed (unemployment rate was over 10% in some of them), **representing an available workforce that could largely cover the existing gap.** This reveals the lack of attractiveness of the driver profession, and highlights that any measures to promote the driver profession will additionally help to reduce unemployment.

To remain attractive employers and keep trucks moving, companies have increased driver wages in 2021,

notably in Europe (in the UK, for instance, driver gross pay surged 18% in the nine months to October 2021) and the United States (according to ATA, the industry is raising pay at five times the historic average). This trend is expected to continue in 2022.

However, it does not appear that these wage increases have attracted more professionals to the industry. It may be even exacerbating the shortage, as there are companies reporting that many drivers are using larger paychecks to cut down on their driving and spend more time at home¹.

Gender representation

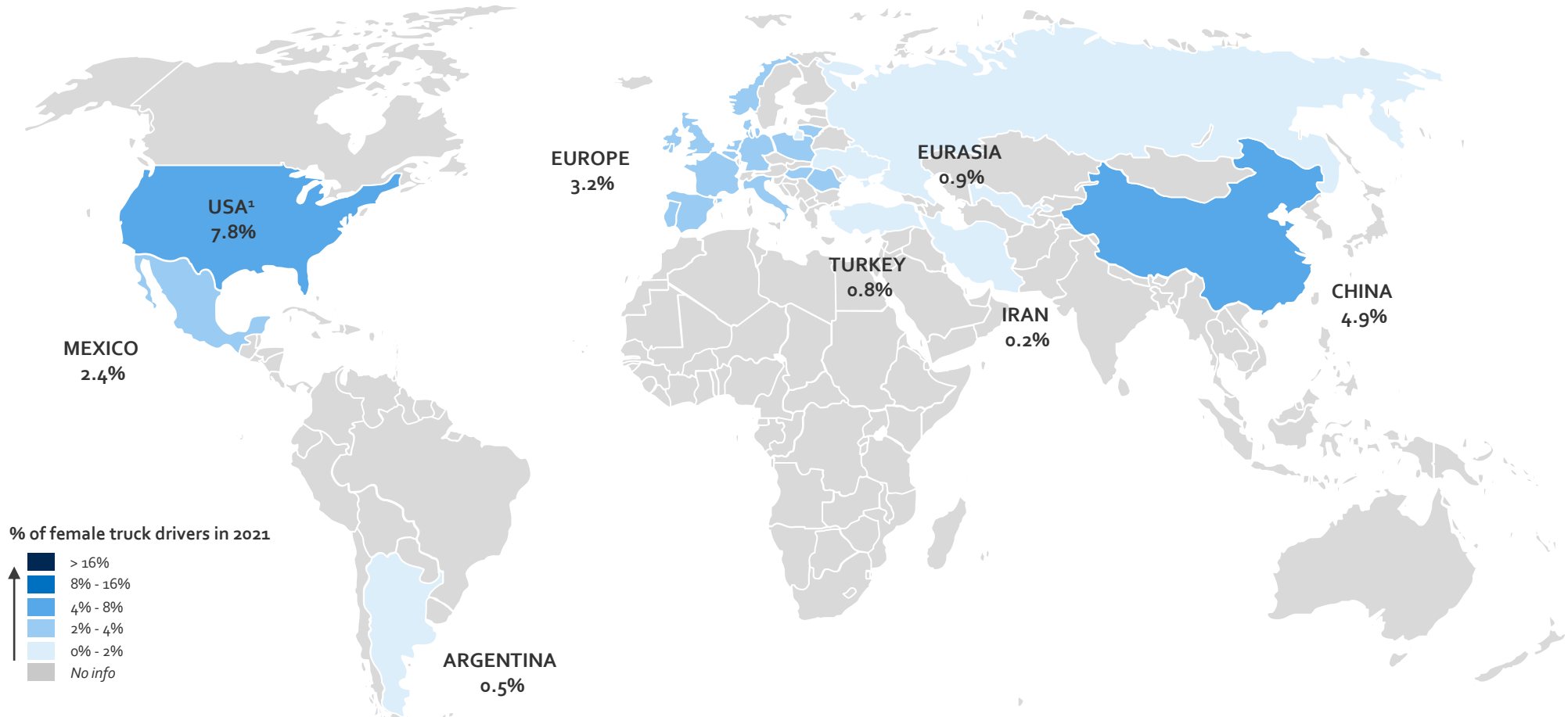
Across all regions analysed, less than 3% of truck drivers are women, except in China (5%) and the United States (8%).

The trucking industry is lagging behind the overall transportation industry in terms of women representation, even if the latter is also struggling to attract women employees.

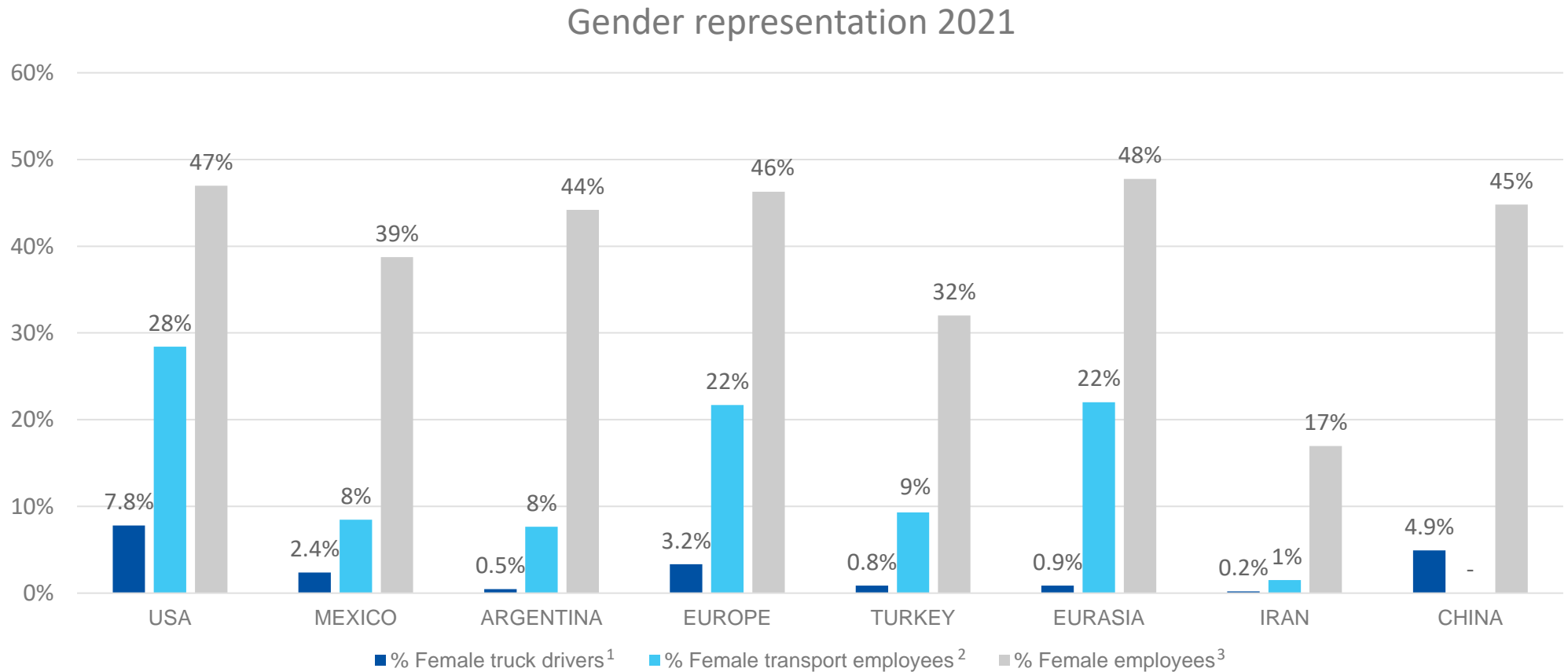
3%

Very few female truck drivers accross all regions in 2021

% of female truck drivers in 2021



Female truck driver representation in 2021 far from transport industry benchmark



1. IRU survey 2021 (except for USA, American Trucking Association - Bureau of labor statistics, US department of Labor 2020); 2. ILO and Eurostat 2020 (Transportation and storage); 3. ILO and Eurostat 2020 (except China ILO 2010)

Less than 3% of truck drivers are women in almost all regions

The only exceptions are China (4.9% of women) and United States (7.8%).

Argentina (0.5%), Turkey (0.8%) and Iran (0.2%) show the lowest shares of women among their truck driver population. In the case of Turkey and Iran, women participate to a lesser extent in the labour market (women only account for 32% of the active population in Turkey, and 17% in Iran).

The whole transportation industry struggles to attract women globally.

Less than 10% of employees are women, except in Europe (22%), Eurasia (22%) and United States (28%).

However, the trucking industry lags behind the transportation industry in terms of women representation across all regions.

The lack of secure infrastructure, the treatment of drivers at delivery site, long periods away from home and the poor image of the profession are some of the reasons explaining the low representation of women.

Age distribution

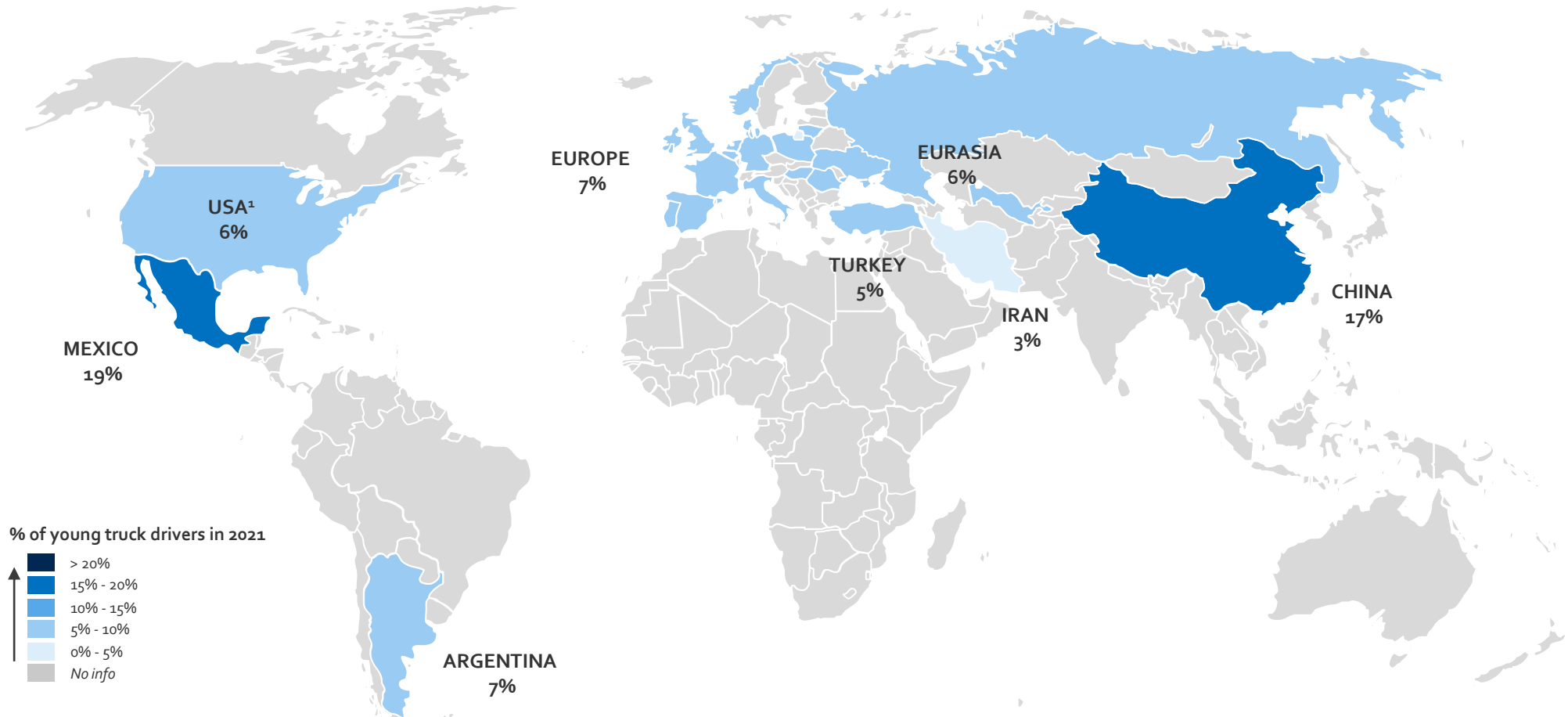
The proportion of people below 25 years old in the truck driver population remains low across almost all regions (less than 7%).

Mexico and China are the only exceptions, where 19% and 17% of young truck drivers are below 25 years old, respectively.

7%

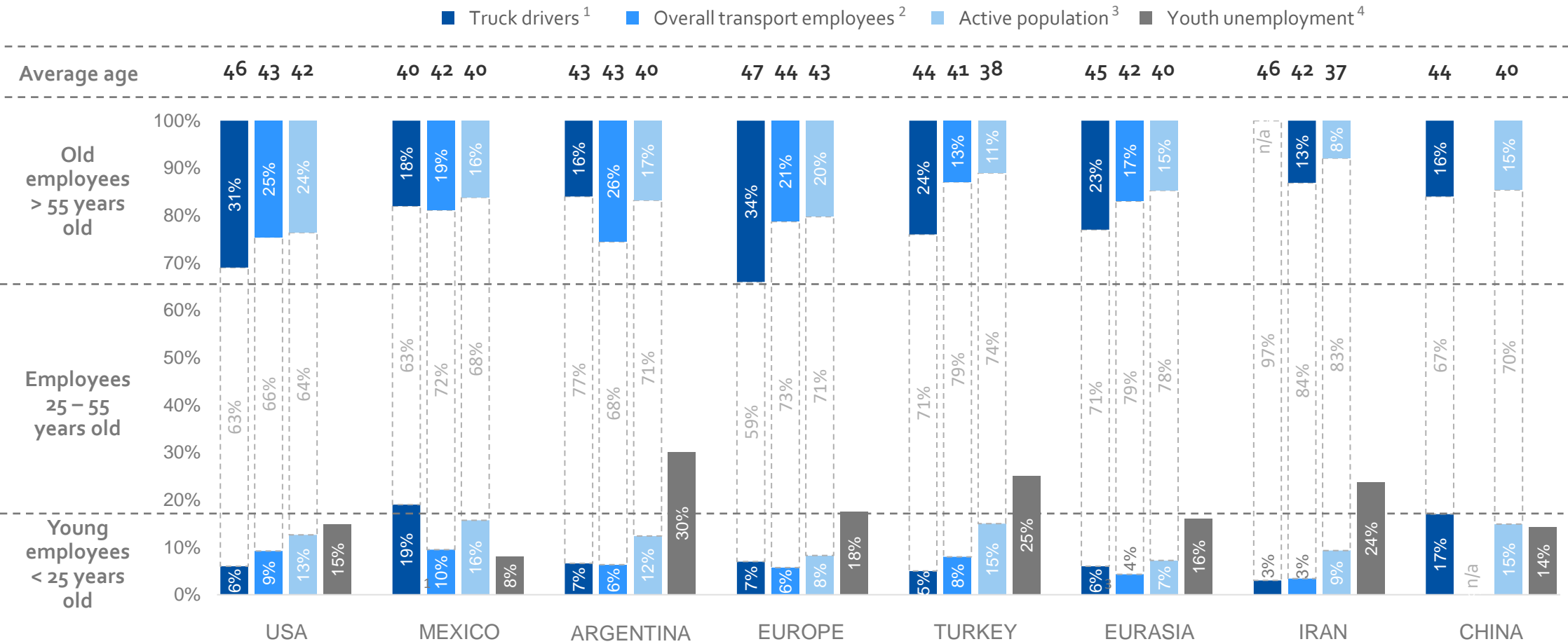
Attracting young truck drivers remains a challenge despite high youth unemployment

% of young truck drivers (< 25 years old) in 2021



Source: IRU survey 2021 except USA (Bureau of labor statistics (BLS), US department of Labor 2021, NAICS 484 Truck transportation; this category includes, additionally to "Truck drivers, heavy and tractor-trailer" occupation category, light truck or delivery services drivers, mechanics, labourers and office employees, but according to Occupational Employment Statistics, "Truck drivers, heavy and tractor-trailer" represent over 60% of all truck transportation employment.

Wide gap between young and old truck drivers in 2021



1. IRU Survey 2021 except USA (Bureau of labor statistics (BLS), US department of Labor 2021, NAICS 484 Truck transportation; 2. Eurostat and ILO 2020 (Transportation and storage); for Eurasia, Russia's; 3. Eurostat and ILO 2020 (except ILO 2010 for China, ILO 2017 for Ukraine) ; 4. Eurostat and ILO 2020, (except China – urban unemployment rate 2021, China's National Bureau of Statistics)

Encouraging proportion of young truck drivers in some countries

The share of young people in the truck driver population is very low in most of the countries and regions surveyed (below 7%). However, figures in Mexico and China are encouraging, with 19% and 17% of young truck drivers, respectively, which is above their corresponding transportation industry and even active population benchmarks.

One of the main reasons for the low proportion of young people is the **ageing population** (less than 13% of the overall workforce is younger than 25 years old in all regions, except Mexico, China and Turkey).

Nonetheless, the share of young truck drivers is behind the active population benchmark in all regions except

Mexico and China, and overall transportation benchmarks in some cases (USA and Turkey).

Another factor is the **minimum legal age** to access the truck driver profession, which goes up to 21 and even 24 years old in some countries (China in the case of heavy-duty tractor trailers with no full-time vocational training)¹.

Making the truck driver profession more attractive for young people could also be a means to address youth unemployment, which is well above 25% in some of the countries surveyed.

1. Until 22 April 2022, the minimum age was 20 years old for large trucks, and 20 years old for heavy-duty tractor-trailers in the case of full-time vocational driving education (24 otherwise. From 22 April 2022, the minimum age for heavy-duty tractor-trailers has been reduced to 19 years old in the case of full-time vocational training (22 years old otherwise).

High share of old truck drivers indicates larger shortages to come

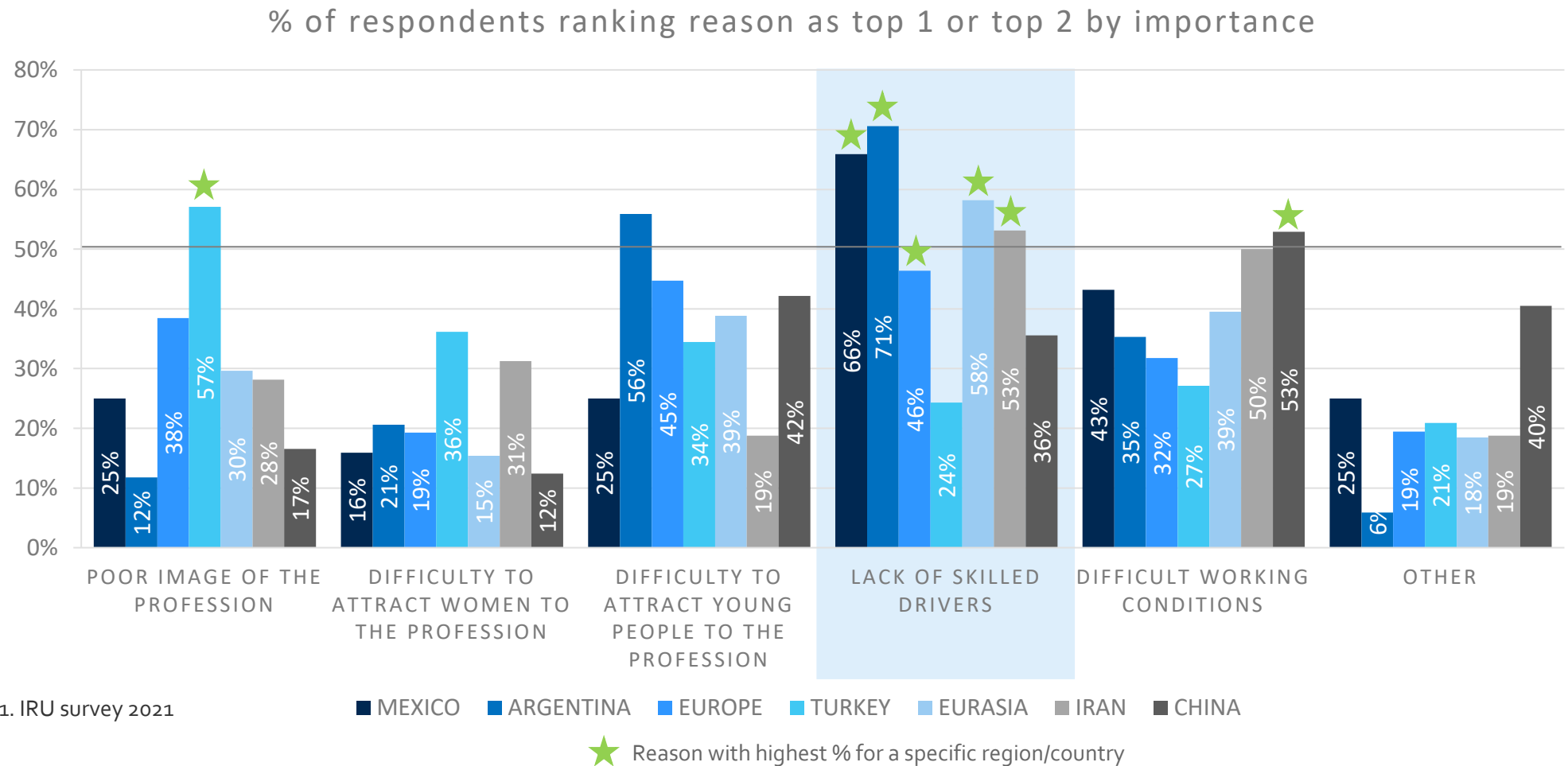
At the other end of the spectrum, we can see that, for most regions, there is a large share of older drivers above 55 years old. It is clearly higher than the overall transportation and active population benchmarks, and too large when compared to the share of young truck drivers, meaning shortages will increase in the near future as there will not be enough young drivers to cover retiring old drivers.

The most severe cases are Europe and Iran. Europe has the highest average driver age (47), and over one third of the driver population are above 55 years old. Moreover, the share of young drivers is very low (only 7% of drivers are below 25). Iran has also a high

average age (46), and the lowest share of young drivers among regions surveyed (3%).

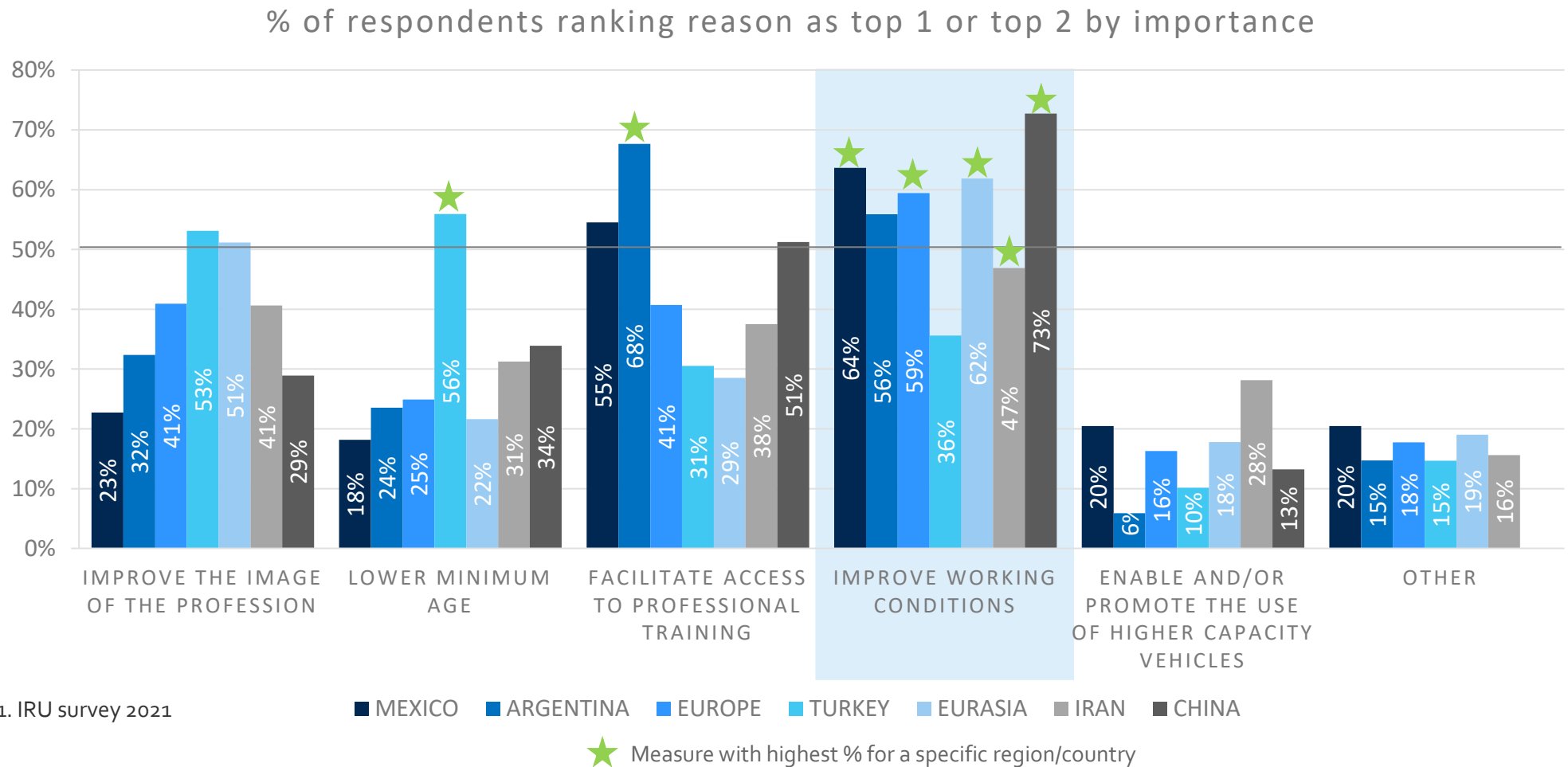
On the other hand, Mexico and Argentina have a low share of old drivers above 55 (18% and 16%, respectively), which is aligned with the overall active population and, in the case of Mexico, accompanied by a high proportion of young truck drivers (19%).

Main reasons explaining truck driver shortage (according to operators surveyed)¹



1. IRU survey 2021

Main measures to be taken by governments to address truck driver shortage (according to operators surveyed)¹



The lack of skilled truck drivers: a key factor of driver shortage

As was the case in 2020, operators from all regions/countries surveyed (except Turkey and China) still consider the lack of skilled drivers to be the most important reason explaining the shortage of drivers affecting them.

On the other hand, when asked about the most needed measures in order to address the shortage and attract more people to the profession, **operators agree that measures aimed at improving working conditions for drivers** should be prioritised: investments in more parking infrastructure, better treatment of drivers at delivery sites (toilets available for driver use, low waiting times/flexible delivery timing, no loading and unloading to be performed by

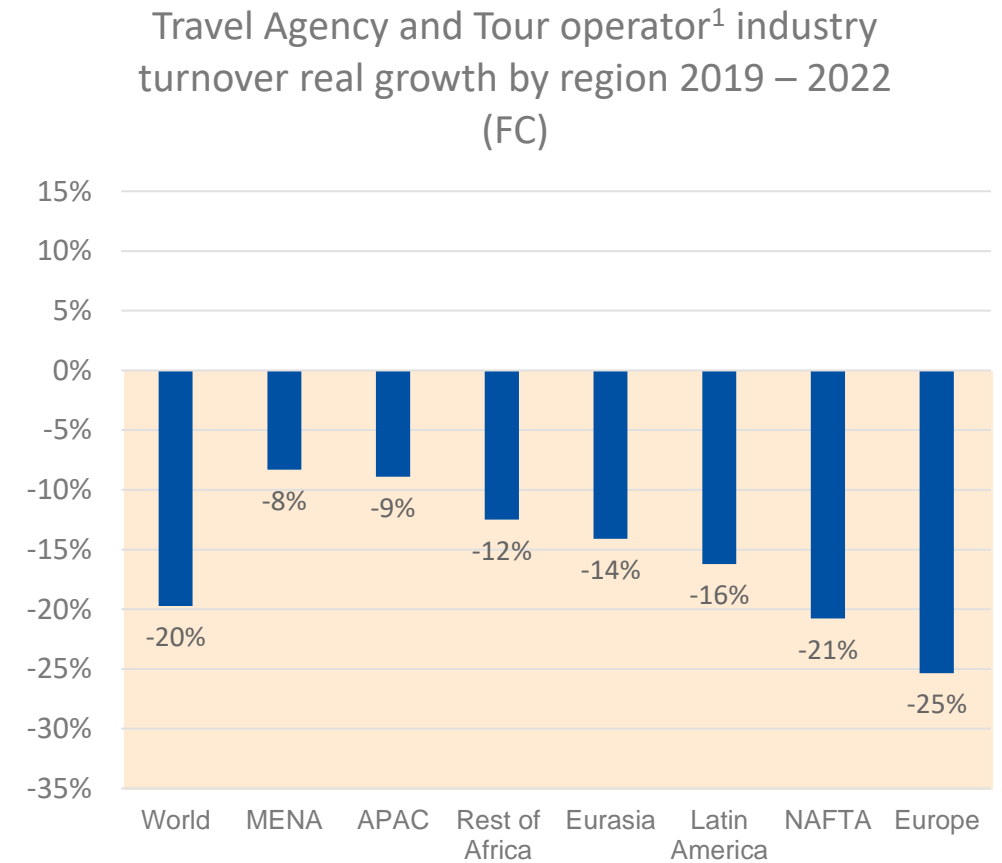
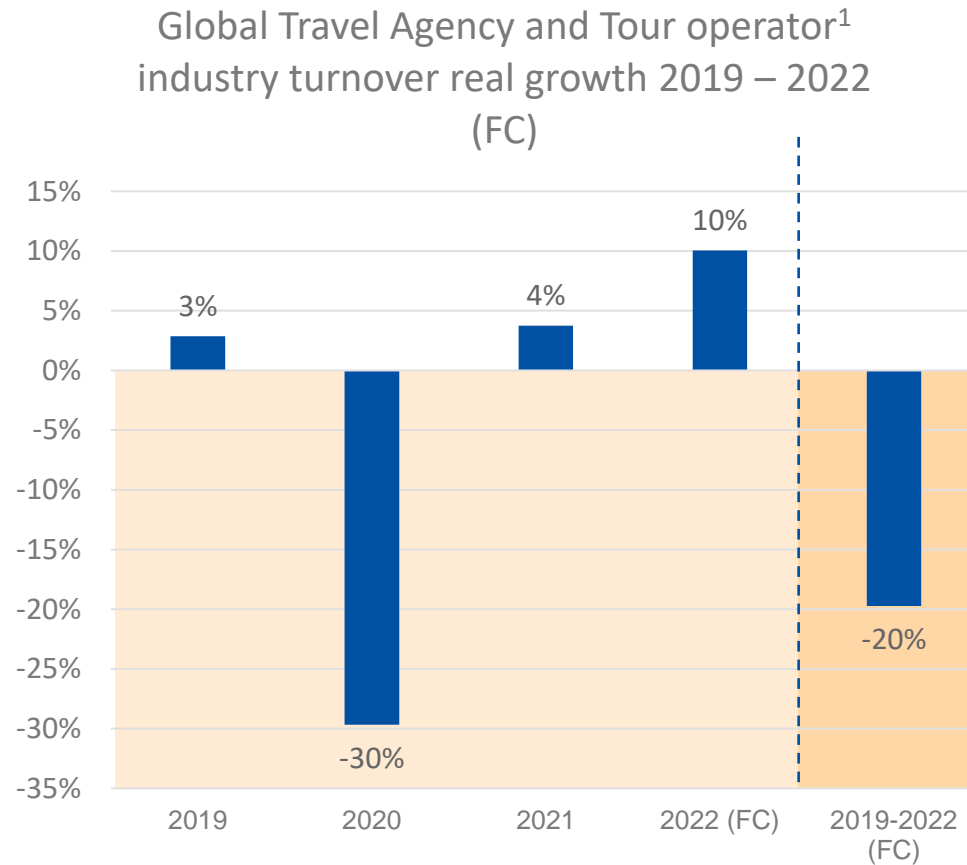
the driver...) and at roadside checks, are some of the key measures mentioned.

Turkey and Argentina are the two exceptions: for Turkish companies, the main action to take is to reduce the minimum age to access the truck driver profession (currently 21 years old), while in Argentina, facilitation of access to professional training is considered the main priority.

Operators also prioritise facilitating access to professional training (i.e by subsidising/reducing the cost of the training and driver license) and promoting the image of the profession.

Passenger transport

Travel agency and tour operator¹ industry turnover forecast 2022 still far behind 2019 levels



1. IHS Markit - (N79) Travel Agency, Tour Operator, Reservation Service and Related Activities ([International Standard Industrial Classification of All Economic Activities](#))

The longer the travel distance, the longer the recovery

The COVID-19 pandemic has strongly affected mobility around the world, as governments limited mobility operations to limit contagion.

Urban and short-distance transport (including special services like school transport and transport for workers) was heavily affected during lockdowns, but also because of a change in mobility behaviours linked to the fear of contagion or increased telework. However, it has been the least impacted transport segment, and the one where the recovery is the quickest.

The longer the distance, the stronger the impact, and the longer the recovery also.

In 2020-21, the COVID-19 pandemic caused an unprecedented disruption to tourism, resulting in a massive drop in international travel. This followed national lockdowns and plummeting demand amid widespread travel restrictions to contain the spread of the coronavirus. Until May 2021, there were severe mobility restrictions in many countries limiting mobility operations across countries and even regions within each country, with travel bans and/or capacity restrictions.

The most impacted segment was occasional bus transport, closely followed by international long-distance transport.

Sources: IHS Markit, United Nations World Tourism Organization (UNWTO), IRU members

Tourism was the sector most affected by the COVID-19 pandemic

Travel agency and tour operator services turnover fell by 30% in 2020, NAFTA and Europe being the most impacted regions (industry revenues fell by 54% and 38% compared to 2019, respectively).

For some countries, the revenue shortage worsens an already challenging external financing position (especially countries in Central America, the Middle East and North Africa, and South Asia).

In 2021, industry turnover slightly rebounded by 4% year-on-year. The recovery of domestic tourism in some markets and a moderate rebound in international travel during the northern hemisphere

summer season explain this modest improvement.

- **Domestic travel** contributed to a greater extent, given its size and faster recovery. It was driven by large pent-up demand and a preference for shorter trips and destinations closer to home, often in rural and coastal settings, as well as by restrictions still in place for international travel.
- A small improvement in **international travel** also helped, underpinned by growing vaccination rates and the lifting of restrictions in many destinations, even if the emergence of the Delta variant, which coincided with the summer holiday season in the northern hemisphere, heavily impacted revenues in 2021.

Sources: IHS Markit, United Nations World Tourism Organization (UNWTO), IRU members

Growth is expected to accelerate in 2022, but the road to recovery is still long and uncertain

Travel agency and tour operator services revenues' growth is expected to accelerate to 10% year-on-year in 2022. However, the road to recovery is still long and uncertain, and the sector is lagging behind compared to others.

Many challenges remain, such as the relatively high infection rates in some countries, the spread of the delta or other coronavirus variants, uneven vaccination rates and the economic strain caused by the pandemic, aggravated in some cases by the recent spike in oil prices.

Travel agency and tour operator services revenues are expected to remain far from recovery at the end of 2022 (20% below pre-pandemic levels). Europe and NAFTA are still the regions with the highest impact (2022 industry revenues -25% and -21% compared to 2019, respectively). MENA and APAC are the ones closer to recovery (-8% and -9%).

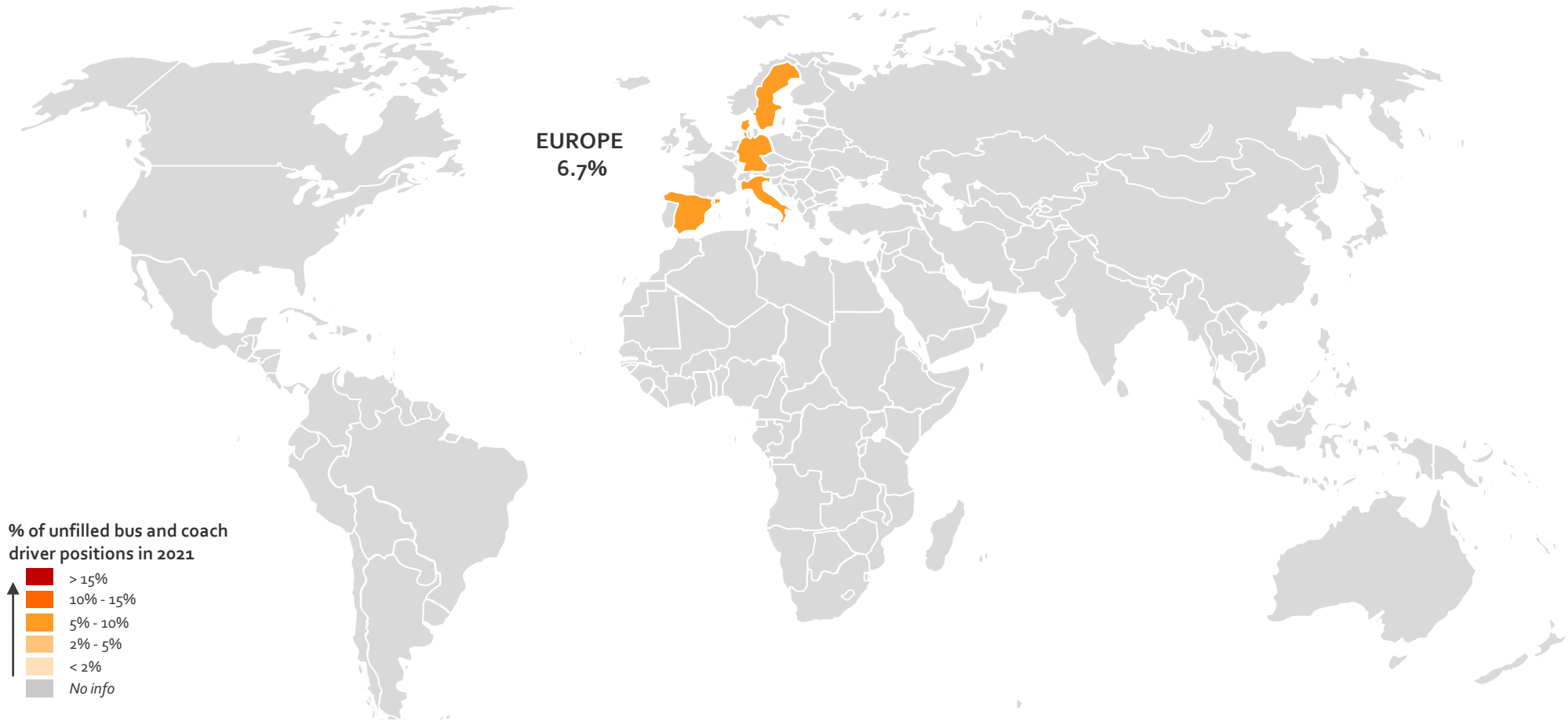
Bus & coach driver shortage

7% of bus and coach driver jobs were unfilled in 2021 in surveyed countries.

7%

Significant bus and coach driver shortage, despite incomplete post-pandemic recovery

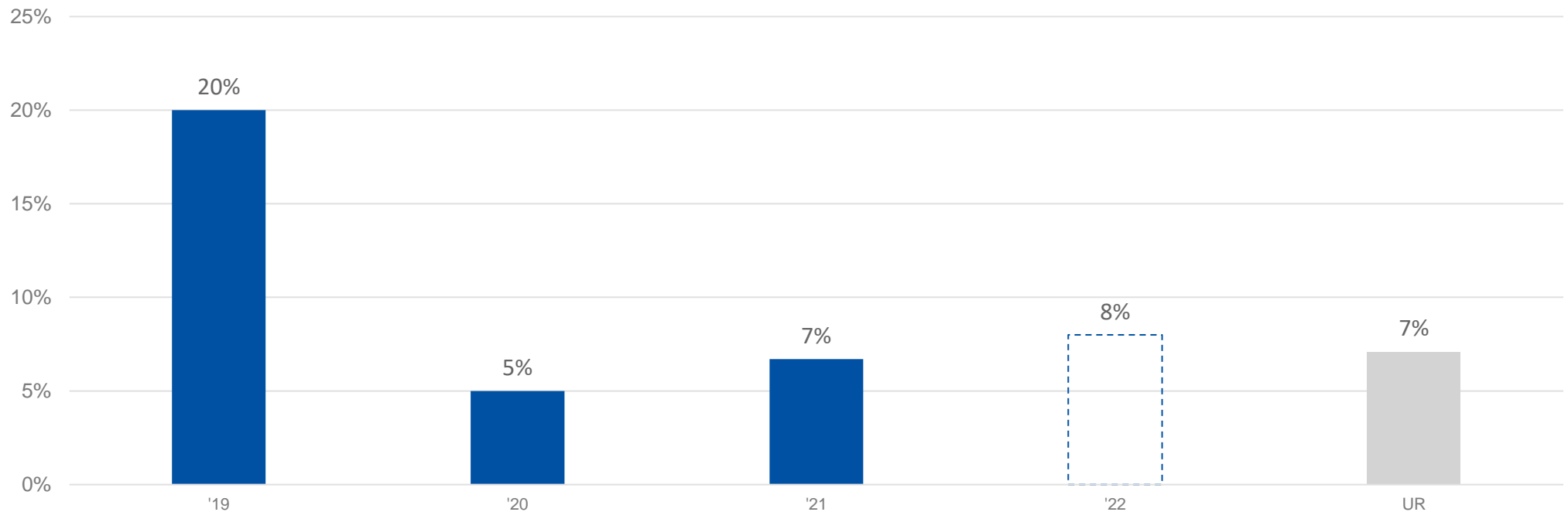
% of unfilled bus and coach driver positions in 2021



Source: IRU survey 2021 and national road transport associations

European bus and coach driver shortage progressively increasing, along with industry recovery from the pandemic

% of unfilled bus and coach driver positions 2019-2022 (FC)¹, unemployment rate (UR) 2020²



Increasing bus and coach driver shortages as demand recovers

In Europe, bus and coach driver shortage is steadily increasing, but is still expected to remain far from pre-pandemic levels in 2022.

It increased from 5% to 7% in 2021, and is expected to further increase to 8% in 2022 .

This is the result of increased demand expected for 2022 as mobility restrictions ease, and the decrease of existing drivers due to:

- Bus and coach drivers changing profession as the activity lost in the pandemic will not return

- Less young drivers being trained and accessing the profession, because of low activity, restrictions limiting training capacity, and attractiveness of the profession
- Retiring old drivers who are not replaced with new entrants

Sources : IRU, IRU member associations

Gender representation

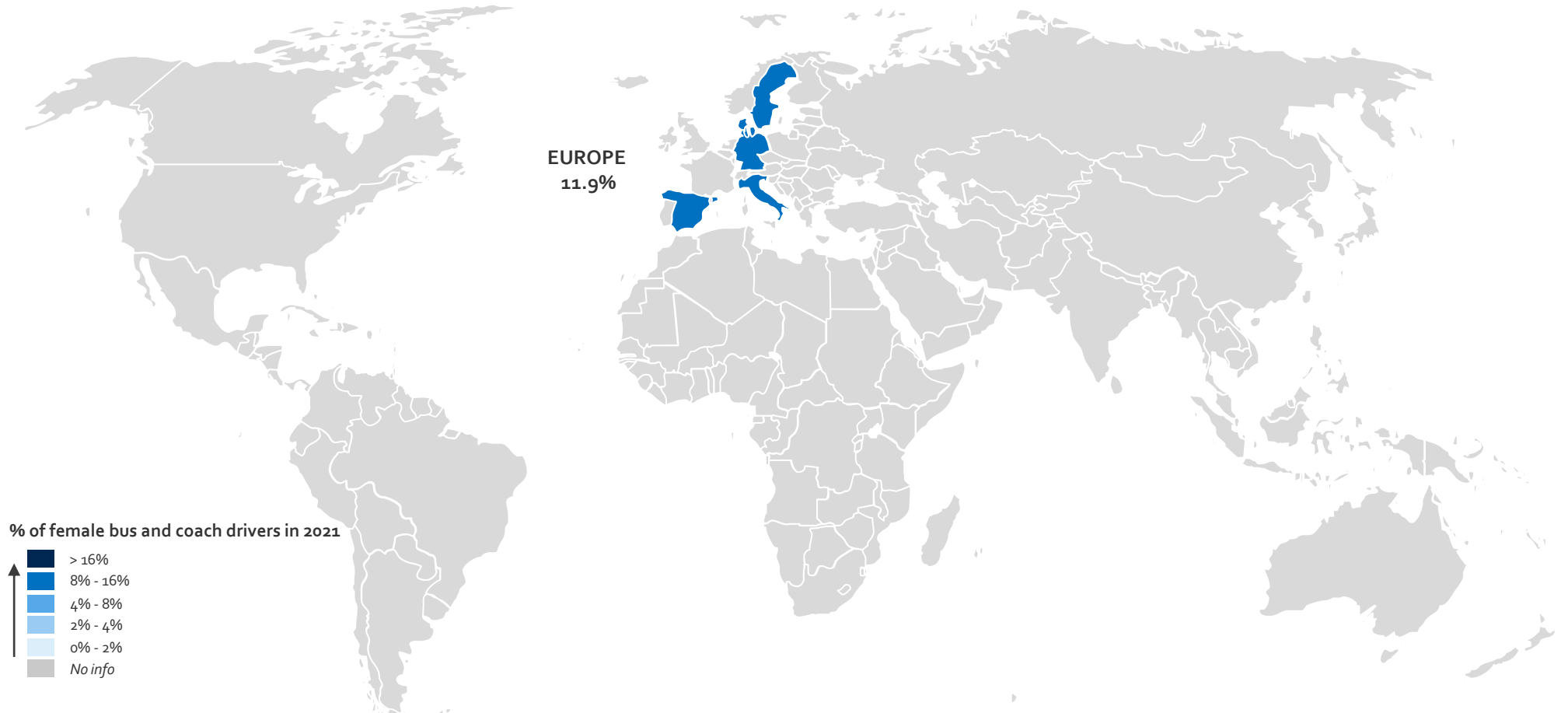
Less than 12% of bus and coach drivers are women in Europe.

Denmark has the highest women representation among all countries surveyed (22%), while Italy has the lowest (7%).

Even if female representation is higher than in the trucking segment, it is still far behind the transportation industry benchmark (12% versus 22%).

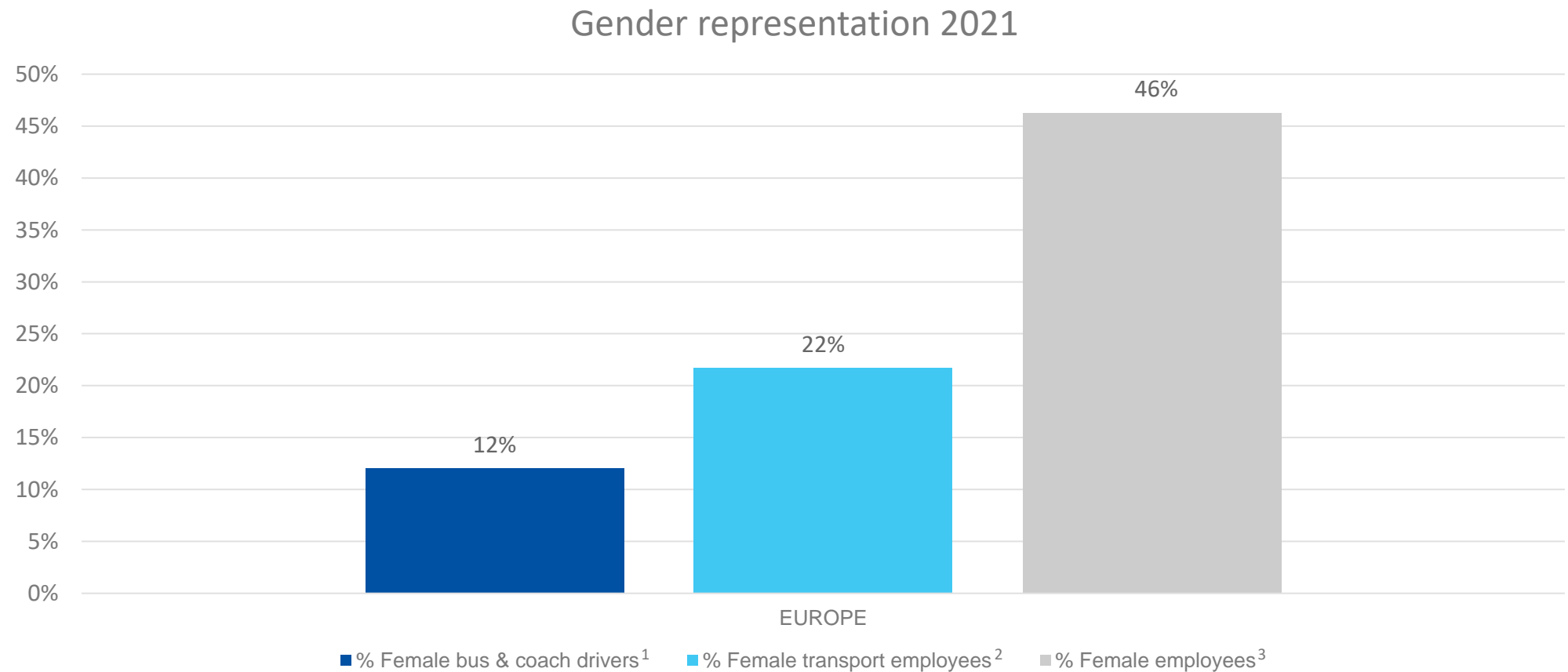
Less than 12% of bus and coach drivers in Europe are women

% of female bus and coach drivers in 2021



Source: IRU survey 2021

Female bus and coach driver representation in Europe in 2021 still far from transport industry benchmark



1. IRU survey 2021; 2. Eurostat 2020 (Transportation and storage); 3. Eurostat 2020

Age distribution

Only 3% of bus and coach drivers are below 25 years old in Europe.

Among all countries surveyed, Denmark has the highest representation of young drivers (4%), even if it is still very low.

Italy, on the contrary, has the lowest share of drivers below 25 years old (2%).

3%

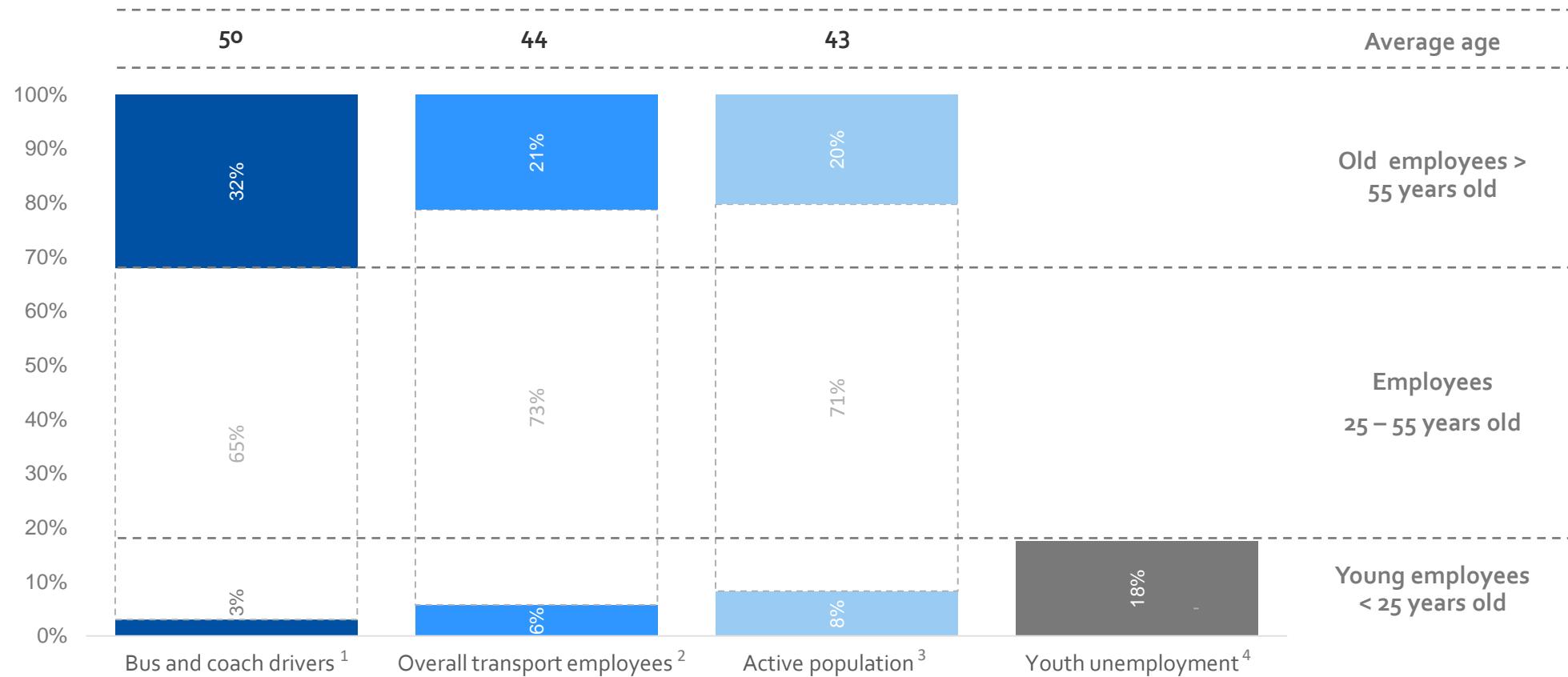
Alarming low share of young people in European bus and coach driver workforce

% of young bus and coach drivers (< 25 years old) in 2021



Source: IRU survey 2021

Wide gap between young and old bus and coach drivers in Europe in 2021



1. IRU Survey 2021; 2. Eurostat 2020 (Transportation and storage) ;3. Eurostat 2020 (EU-27); 4. Eurostat 2020

Bus and coach driver profession: addressing youth unemployment

In Europe, the share of young people in the bus and coach driver population is very low (3%).

One of the main reasons for this is the **ageing population** (in the active population, only 8% are below 25 years old). However, the bus and coach driver profession is still attracting less young people than the transportation industry (6%) and overall employment market (8%), so there is room for improvement.

Another factor is the **minimum legal age** to access the bus and coach driver profession, which goes up to 21 and even 24 years old in some European countries.

Attracting more young people to the driver profession would also be a means to address youth unemployment, which is 18% in Europe, and well over 30% in some European countries (e.g. 38% in Spain).

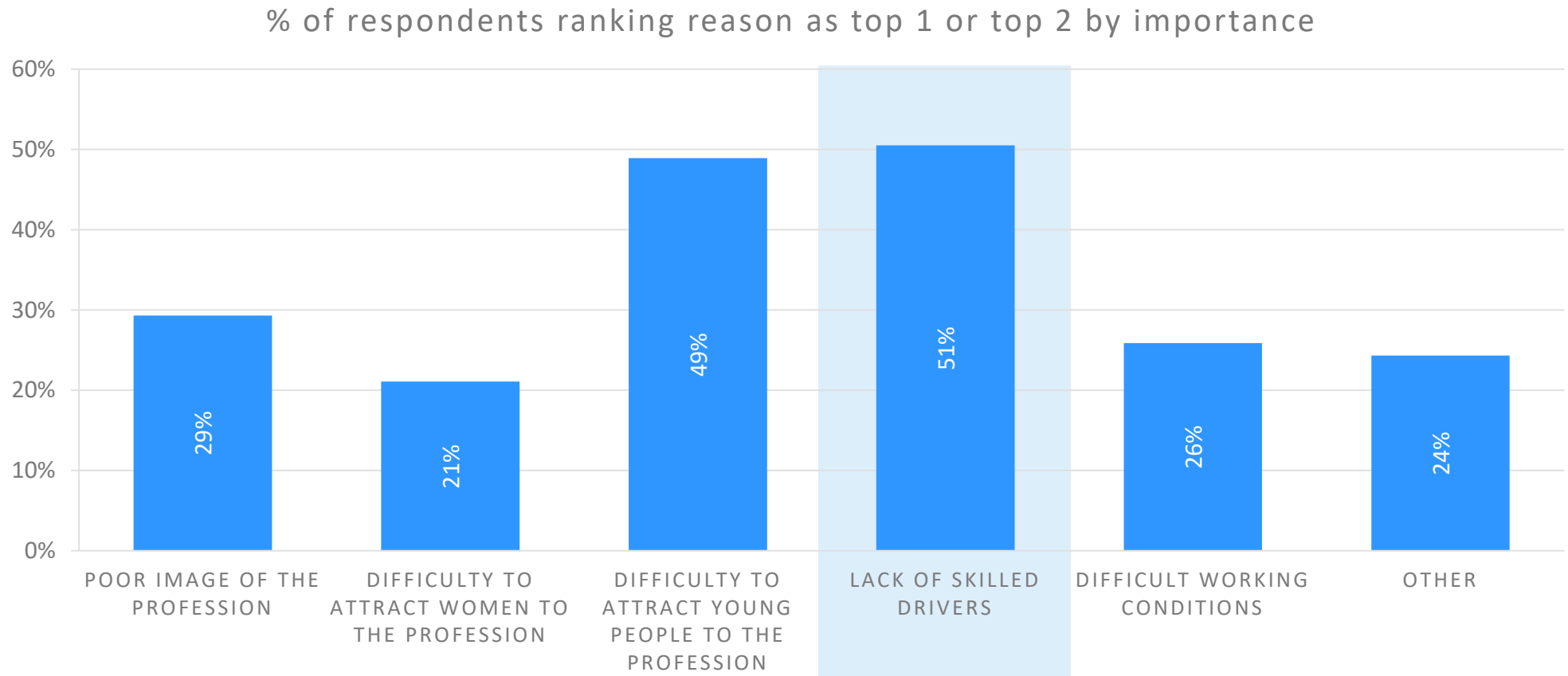
On another hand, Europe also has a high share of drivers over 55 years old (32%), and the average age of bus and coach drivers is 50 years old.

Again, this is partly explained by the general ageing of European population (in the active population, 20% of employees are above 55 years old), but the truck driver workforce is still clearly much older than the active population.

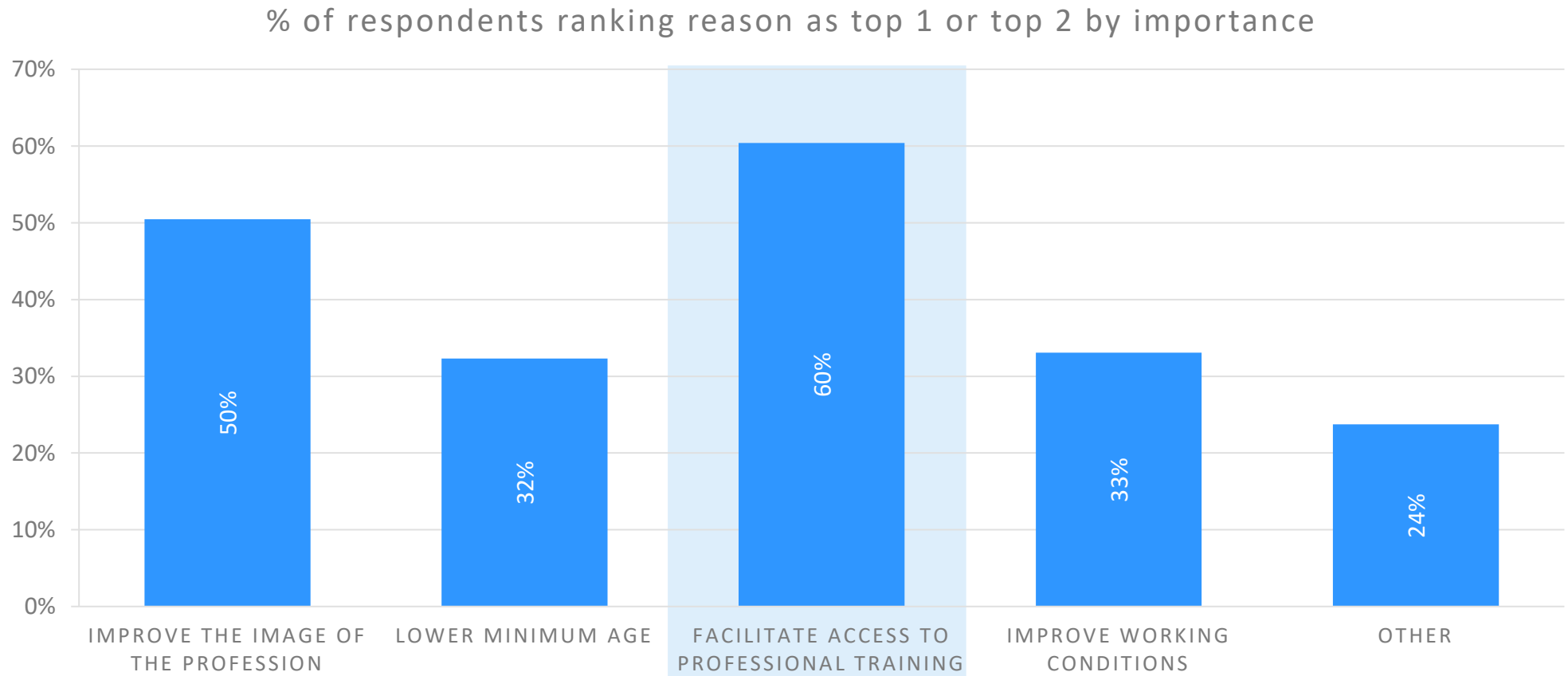
The share of older bus and coach drivers is also higher than the overall transportation employee benchmark (21%).

With few young drivers in the profession, a high proportion of old drivers that will retire in less than ten years, and a progressive recovery of passenger transport demand, driver shortage can only become worse in the coming years if no action is taken.

Main reasons explaining bus and coach driver shortage in Europe (according to operators surveyed)¹



Main measures to be taken by governments to address bus and coach driver shortage in Europe (according to operators surveyed)¹



1. IRU survey 2021

Lack of skilled drivers is main reason for bus and coach driver shortage

In Europe, operators surveyed consider that the shortage of bus and coach drivers is due to the lack of skilled drivers in the first place, followed by difficulties to attract young people to the profession.

Many companies consider that new inexperienced drivers who have just obtained their license and CPC¹ are not sufficiently trained and skilled. They are sometimes reluctant to hire inexperienced drivers because they would need to invest in further training.

Consequently, they consider that governments should prioritise measures aiming to facilitate access to professional training.

In fact, the cost of access to the bus and coach profession (training, license, driver qualification) is often mentioned as a barrier for new entrants, especially for young people.

Methodology

The IRU driver shortage survey is shared by IRU members to their member road transport companies. The 2021 results were collected between October 2021 and January 2022, and **1,524 companies from 25 countries** (including both passenger and goods transport companies) answered.

For each topic (driver shortage, percentage of women drivers, percentage of young and old drivers, average age), the results show the average, weighted by each company's number of drivers, and the country's weight in terms of road transport employees¹/ transportation and storage employees² vis-à-vis the regional average.

The **share of unfilled driver positions** is based on the answers to the questions "How many drivers do you currently employ?" and "How many unfilled driver positions do you currently have?". The forecast for 2022 is based on the respondents' own forecasts (answers to the questions "Please indicate the expected number of drivers you will need next year (assuming business as usual)" and "How many of these driver positions will you not be able to fill (because of driver shortage)?").

The **number of unfilled driver positions** is based on the total number of drivers working for logistics companies and shippers, provided by national road transport associations (IRU members), and the

percentage of unfilled driver positions (the number of drivers is considered to correspond to the number of driver positions that are filled).

The share of unfilled positions is calculated based on the companies that responded to the survey. In the case of freight, it is mainly road freight transport companies (for hire and reward), as there were very few shippers/own-account companies responding to the survey. Considering that, for this type of company, the percentage of unfilled positions could be lower than for road freight transport operators for hire and reward (i.e. shorter distance transport), the total number of unfilled driver positions indicated could be slightly higher than the actual figure.