

## Transport of goods by road has stopped decreasing in the second half of 2009

### Competitiveness in EU road freight transport

European road freight's decline is levelling off. However, in the fourth quarter of 2009, it remained 3% below its level in the corresponding quarter in 2008 for national transport and 2% down for international transport.

Road freight prices have been under pressure since peaking in the third quarter of 2008. In the fourth quarter of 2009, they were 2% below their level in the corresponding quarter of 2008.

A number of new Member States invested heavily in road freight transport in 2005-2007.

Turnover and employment continued their growth in 2008.

New Member States tightened their grip on the European cross-trade market in 2008. Poland accounted for 23% of the EU total cross-trade, followed by the Czech Republic and Slovakia with 9% each.

Hauliers in Germany, Luxembourg and the Netherlands were the cabotage leaders. However, hauliers in the new Member States increased their share of the cabotage market.

Cabotage also began to creep into the transport markets of some of the new Member States.

**Graph 1: Evolution of hire or reward road freight transport (in tkm) and output prices for freight transport by road and removal services (NACE H494) in the EU-27, base index 2006=100**

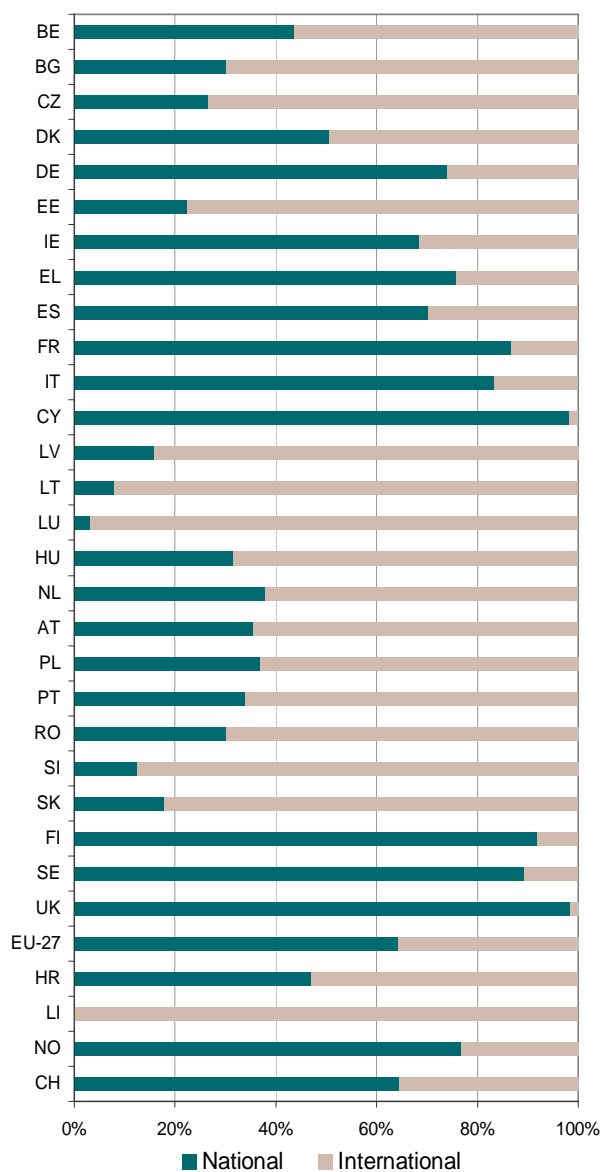


Source: Eurostat ([road\\_go\\_tq\\_totl; sts\\_sepp\\_q](#))

Transport data: IT, UK: 2007 data was used for the reference years 2008 and 2009. EL: 2008 data was used for the reference year 2009.

## International traffic: Luxembourg's specialty

**Graph 2: Share of national and international transport in hire or reward road freight transport, 2008 - % in tkm**



Source: Eurostat ([road go ta tott](#))

IT, UK: 2007 data was used for the reference years 2008.

LI: reports international transport only

Graph 2 illustrates the relative importance of international and national road freight transport for the hauliers of the reporting countries. For some countries, international freight is of little importance to its road freight sector. This is particularly true for those on the periphery, such as the UK and Cyprus, where 98% of hire and reward work is national traffic in both cases, as well as for Sweden and Finland where 90% or more of hire and reward is national traffic. For Italy, the geography of the country, a long peninsula contributing to the importance of national road freight movements, is part of the explanation. In contrast, the position of France as a main transit link between important countries makes it harder to explain why international traffic is such a small element within its total. The low share may possibly reflect the competitiveness of the French road freight sector.

However, there are other countries where the situation is reversed and international hire and reward work accounts for 80% or more of the total, including Latvia, Lithuania, Luxembourg, Slovakia and Slovenia. For the Baltic States, their role as gateways to the important Russian market helps to explain the importance of international traffic. For Luxembourg, its position at the crossroads of Europe and also its small size mean that its road freight industry is dependent on international hire and reward work. Similar arguments may apply to Slovenia and Slovakia. The competitiveness of their road freight companies is likely to be an additional factor.

Among the other major economies, for Germany and Spain, national transport accounts for about three quarters of the total. In contrast, national transport represents a little over a third of Polish hire and reward transport. As with Slovenia and Slovakia, this may be a reflection of the competitiveness of the Polish transport sector.

## Heavy investment by some of the new Member States

The European road freight transport industry was dominated by the major economies - Spain, France, Italy, the UK and Germany, in terms of the number of companies, turnover, employment and investment. However, the share of German road freight is less than expected, given Germany's weight in the overall European economy. Major German non-transport companies tend to undertake more transport on "Own account" than their

counterparts in other larger Member States. This leaves scope for expansion in the German road freight industry.

A second issue is the continuing divide between the EU-15 and the 12 new members making up the EU-27. Generally, for the key indicators, turnover per person employed and average personnel costs, the new Member States are below those of the EU-15 members.

**Table 1: Structural business statistics for road freight transport enterprises (NACE I6024), 2007**

	Number of enterprises	Turnover (million euro)	Personnel costs (million euro)	Number of persons employed	Gross investment in tangible goods (million euro)	Number of persons employed per enterprise	Turnover (thousand euro) per person employed	Average personnel costs (personnel costs per employee) (thousand euro)
BE	7 638	10 954	2 368	65 451	874	9	167	41
BG	7 097	1 416	79	37 552	393	5	38	2
CZ	c	c	c	c	c	c	c	c
DK	7 186	6 162	1 504	41 232	572	6	150	42
DE	34 824	29 131	7 401	318 011	2 506	9	92	26
EE	2 411	992	129	14 881	70	6	67	9
IE	c	c	c	c	c	c	c	c
EL	21 718	3 120	257	42 768	70	2	73	18
ES	138 599	38 725	7 590	415 710	2 482	3	93	26
FR	42 551	39 639	12 012	368 060	1 583	9	108	34
IT	93 427	47 367	7 678	346 311	1 779	4	137	34
CY	1 452	115	37	2 451	7	2	47	30
LV	2 656	1 058	81	20 570	348	8	51	4
LT	3 998	2 303	230	43 343	166	11	53	6
LU	469	1 139	294	8 477	29	18	134	35
HU	18 410	3 951	508	68 266	190	4	58	9
NL	8 865	19 066	5 056	127 905	982	14	149	43
AT	7 384	8 659	1 838	60 781	508	8	143	34
PL	80 990	14 149	967	243 185	987	3	58	6
PT	11 789	5 045	1 094	66 919	975	6	75	17
RO	18 422	3 779	284	86 591	1 061	5	44	3
SI	6 330	1 927	235	21 641	346	3	89	14
SK	1 246	885	115	15 041	153	12	59	8
FI	11 307	5 659	1 427	43 172	525	4	131	39
SE	14 833	9 137	2 438	74 957	858	5	122	40
UK	33 875	38 635	9 497	296 242	2 373	9	130	35
EU-27	577 477	293 014	63 119	2 829 517	19 836	4.75 <sup>(1)</sup>	100 <sup>(1)</sup>	26.2 <sup>(1)</sup>
NO	10 131	4 851	1 188	30 252	395	3	160	50

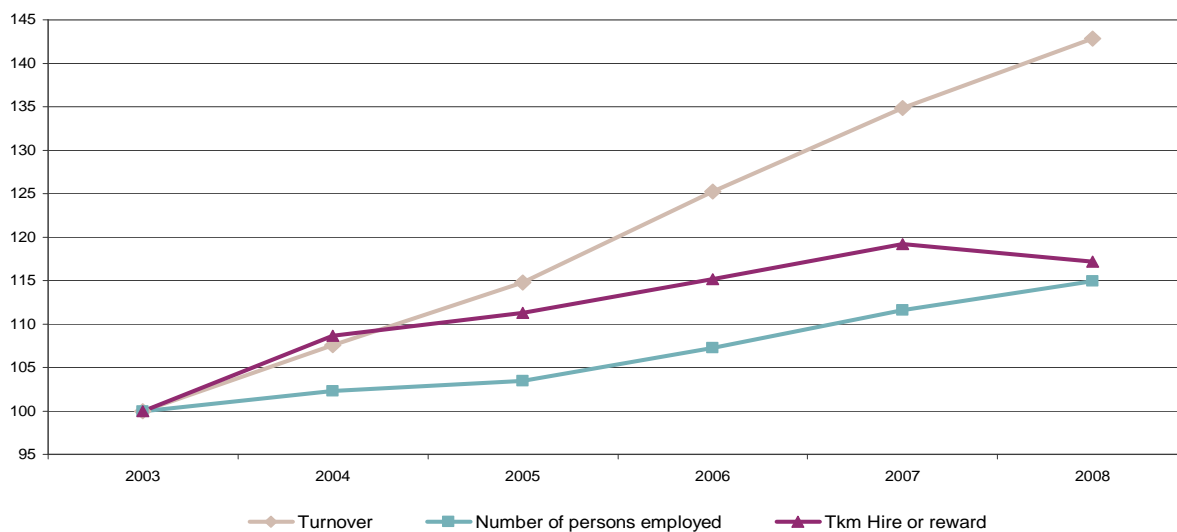
Source: Eurostat ([sbs\\_na\\_1a\\_se](#))

(1) 2006 data. c: confidential. EU-27 excludes CZ (confidential), IE (confidential) and MT (not available).

Slovenia's turnover per employee, however, as well as Cyprus' average personnel costs provide some challenge to this broad assumption. Many of the new Member States invested more per employee than some EU-15 countries. Bulgaria, Latvia, Romania, Slovenia and Slovakia were investing at levels comparable to or above the EU-15 figures.

Looking at developments over time, turnover and employment in the European road freight industry have shown a sustained rise between 2003 and 2008, with turnover growing the fastest. Its growth resulted from the increase of both volume and prices (see Graph 1). Up to 2007, tonne-kilometres (tkm) followed a similar stable growth path, but suffered a downturn in 2008 as the impact of the wider economic crisis began to be felt.

**Graph 3: Evolution of turnover, number of persons employed and tkm performed in the EU-27 road freight transport (NACE I6024), base index 2003=100**



Source: Eurostat ([road\\_go\\_ta\\_tott](#); [sbs\\_na\\_1a\\_se](#); [sbs\\_sc\\_r2preli](#))

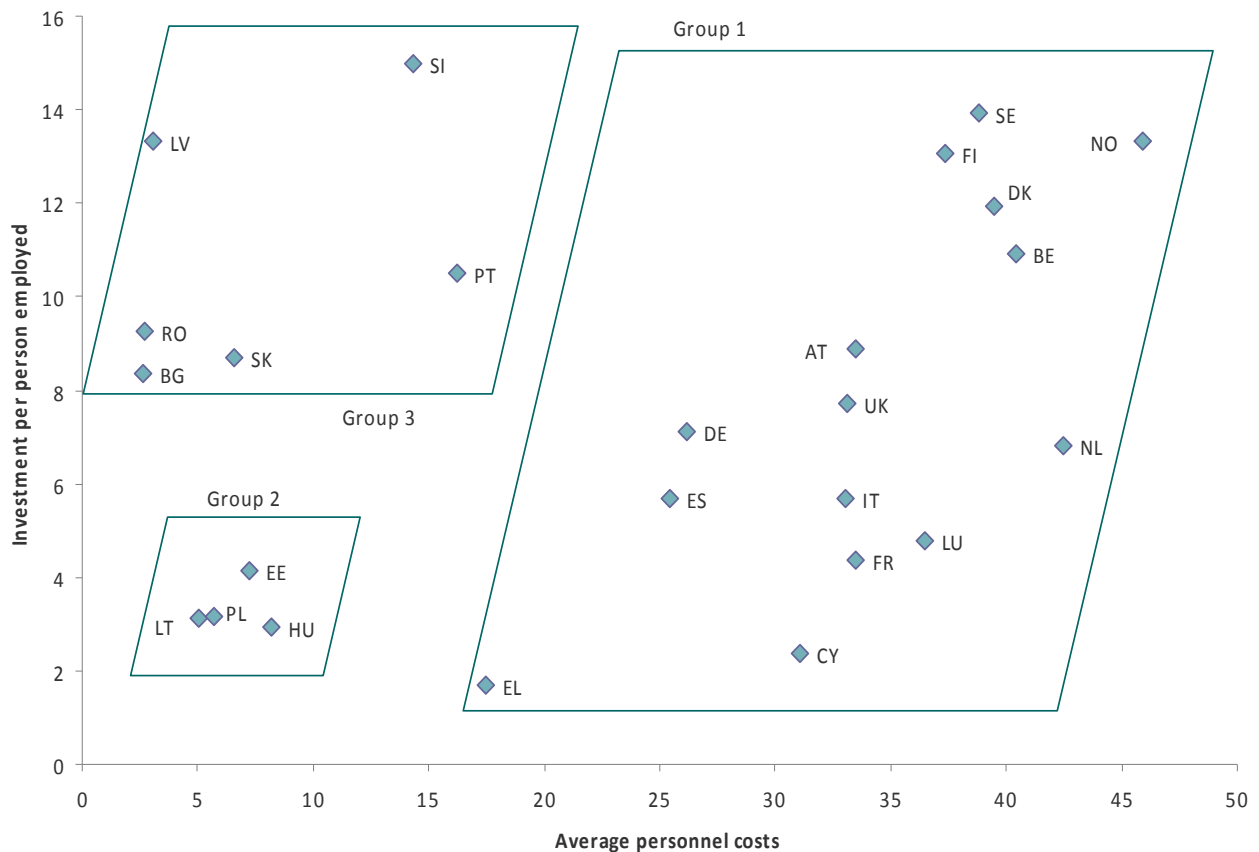
Note: In order to harmonise coverage over years, time series were completed with estimates in case of missing or confidential data.

The earlier discussion of investment performance is taken further in Graph 4. Here, investment is shown against personnel costs for each of the countries over the period from 2005 to 2007. A wide spectrum of outcomes can be seen. For example, Sweden has high investment and high personnel costs, while Greece has low investment and fairly low personnel costs. It seems intuitively reasonable to assume that this pairing of high personnel costs and high investment is sensible and may reflect willingness to invest in order to achieve some labour savings. In the Graph, the countries have been divided into three main groups. The pattern described above would apply very clearly to the main group of countries (labelled 1) where a strong correlation between the levels of personnel costs and investment is apparent. This group covers the EU-15 members, Cyprus and Norway.

The second group is clearly detached from the first one and comprises countries with very low personnel costs and low investment. This is perhaps an even more explicit illustration of the intuitive pattern outlined above. Included here are Estonia, Lithuania, Hungary and Poland.

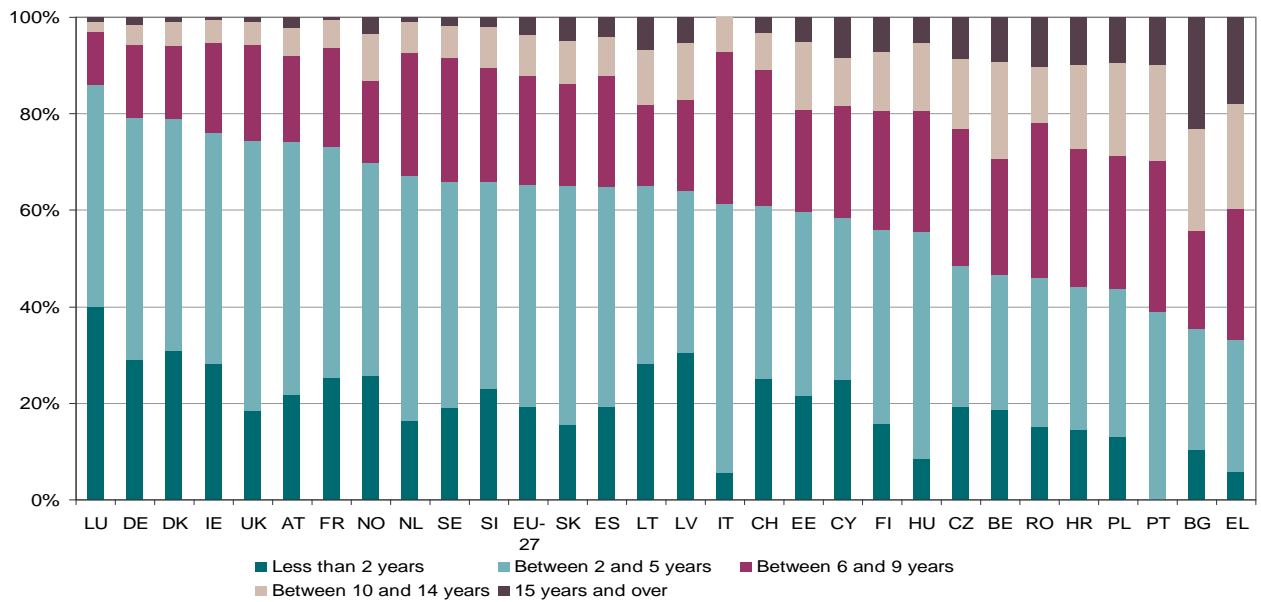
The third group is more surprising, since it combines low personnel costs with high levels of investment, which are exceptionally high in the case of Slovenia. Other countries in this group are Bulgaria, Latvia, Portugal, Romania and Slovakia. As Graph 5 illustrates, all of these countries, except for Slovenia and Latvia, had relatively old vehicle fleets in 2008. It may therefore be that they are all making a major effort to upgrade their vehicle fleet and the associated equipment to make up some ground on the more advanced countries. It may also reflect an awareness that more modern vehicles may be necessary to compete in some specialised markets which have opened up with membership of the EU. This may apply particularly to the two newest members - Bulgaria and Romania. The investment effort apparent here may be intended to remedy this situation and it has already paid off for Latvia and Slovenia. However, in Group 2, Poland, for example, shares the problem of a relatively old vehicle fleet but this did not translate into higher investment over the period 2005 to 2007.

**Graph 4: Personnel costs and investment in road freight transport enterprises (NACE I6024), average values for the period 2005 to 2007 - thousand euro**



Source: Eurostat ([sbs\\_na\\_1a\\_se](#))

**Graph 5: Share of age categories in road freight transport vehicle fleet, 2008 - % of total vkm**



Source: Eurostat ([road\\_go\\_ta\\_agev](#))

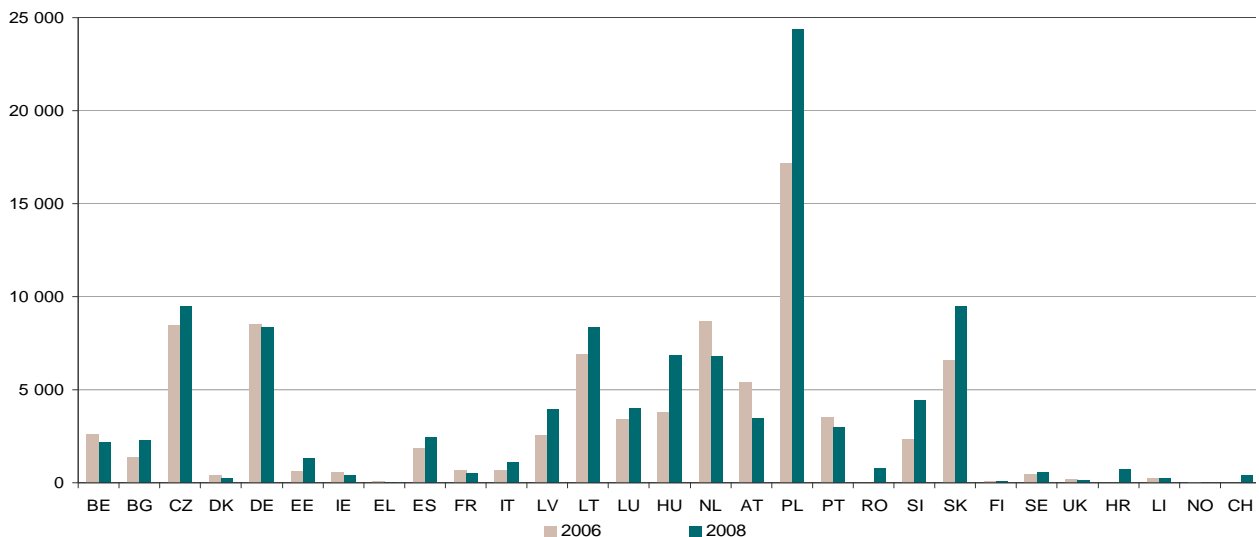
IT, UK: 2007 data was used for the reference years 2008. CH: 2008 provisional revised data.

Graph 5 shows the age of the road transport vehicle fleet in each country as percentage of the total vehicle-kilometres (vkm) travelled in 2008. One key indicator to summarise the graph is the percentage of vkm undertaken by vehicles 5-year-old or newer. For the EU-27, this indicator is 65%. Eight countries achieved a score of 75% or more: Luxembourg, Germany, Denmark, Ireland, the UK, Austria, France and Norway. Of these, the

percentage of vkm undertaken by vehicles 5-year-old or newer was 86% in Luxembourg and 79% in Germany and Denmark, representing a very intensive use of very modern vehicles. At the other extreme, in eight countries less than half the vkm were undertaken by vehicles 5-year-old or newer. Indeed, in three countries, Portugal, Bulgaria and Greece, less than 40% of total vkm used such “young” vehicles.

## New Member States tighten their grip on the cross-trade market

**Graph 6: Cross-trade transport performed for hire or reward - million tkm**



Source: Eurostat ([road\\_go\\_ta\\_tott](#))

IT, UK: 2007 data was used for the reference year 2008. CH: 2008 provisional revised data.

Graph 6 shows the cross-trade performed by hauliers in each country in 2008 compared to 2006. The pattern which emerges illustrates clearly that

the new Member States, following accession, have experienced a substantial increase in their shares of the cross-trade transport market. Poland has

become the dominant player in this market with a 23% share of the EU total. The Czech Republic and Slovakia are also strong players with 9% and Lithuania has 8% - just a fraction more than Germany, the largest established country.

Leaving aside Cyprus and Malta, all new Member States have been gaining ground in this market since 2006, as they become a more established and better known option.

## Increasing competition in the cabotage market

Table 2 shows the amount of cabotage undertaken by the hauliers of each country and the amount that takes place in each country for 2004, 2006 and 2008. The hauliers of three countries, Germany, Luxembourg and the Netherlands took nearly half of this market, but the newer Member States all saw significant growth between 2004 and 2008. Poland especially took a substantial share, though it remains well short of the levels the three leaders achieved. Among the other new Member States, Slovenia and Slovakia both increased their performance nearly threefold between 2004 and 2008 with the Czech Republic matching them in 2008 after recovering from a very low level in 2004. Estonia more than tripled its performance

over the same four years.

In terms of the cabotage performed within each country, France had by far and away the largest amount, followed by Germany at some distance with the UK further behind. However, while France has seen the level of cabotage increase since 2004, Germany and the UK have seen falls. The general tendency has been for cabotage to increase, with substantial rises since 2004 for Finland, the Czech Republic, Greece, Sweden and Denmark. As the table shows, even the newer Member States saw rises in cabotage performed in their country. Overall, this is a healthy sign of growing competition in an important and newly opened market area.

**Table 2: Cabotage transport - million tkm**

	Cabotage performed by each country				Cabotage performed in each country			
	2004	2006	2008	% share in EU total - 2008	2004	2006	2008	% share in EU total - 2008
BE	1 816	1 552	1 546	8.8%	574	705	890	5.5%
BG	:	204	137	0.8%	11	15	3	0.0%
CZ	5	86	293	1.7%	27	68	72	0.4%
DK	254	239	254	1.4%	184	203	375	2.3%
DE	1 944	2 273	2 781	15.8%	3 794	3 479	3 639	22.4%
EE	57	102	216	1.2%	0	2	2	0.0%
IE	505	434	573	3.3%	122	177	0	0.0%
EL	17	89	18	0.1%	60	145	159	1.0%
ES	1 031	854	1 085	6.2%	929	1 403	975	6.0%
FR	624	523	429	2.4%	4 586	4 521	5 417	33.4%
IT	847	1 022	939	5.3%	1 001	1 037	1 062	6.5%
CY	-	-	-	-	0	0	0	-
LV	10	30	50	0.3%	20	2	9	0.1%
LT	28	66	75	0.4%	5	4	5	0.0%
LU	2 262	2 133	2 685	15.3%	11	18	7	0.0%
HU	92	80	168	1.0%	29	37	20	0.1%
MT	:	:	:	:	:	:	0	:
NL	2 871	2 172	2 563	14.6%	257	388	432	2.7%
AT	390	717	642	3.7%	245	284	415	2.6%
PL	506	1 273	954	5.4%	42	22	43	0.3%
PT	708	714	886	5.0%	69	23	5	0.0%
RO	:	14	97	0.6%	22	44	8	0.0%
SI	132	264	389	2.2%	2	0	3	0.0%
SK	89	125	264	1.5%	7	22	33	0.2%
FI	70	88	33	0.2%	14	26	34	0.2%
SE	170	164	222	1.3%	356	547	932	5.7%
UK	203	242	272	1.5%	1 855	1 760	1 689	10.4%
<b>EU-27</b>	<b>14 631</b>	<b>15 460</b>	<b>17 571</b>	<b>100%</b>	<b>14 221</b>	<b>14 931</b>	<b>16 229</b>	<b>100%</b>
HR	:	:	2	-	1	2	3	-
MK	:	:	:	-	:	16	21	-
TR	:	:	:	-	6	25	12	-
LI	22	18	10	-	0	:	0	-
NO	12	19	47	-	197	152	193	-
CH	:	:	275	-	51	107	67	-

Source: Eurostat ([road\\_go\\_ta\\_tot](#); [road\\_go\\_ca\\_c](#))

### Cabotage performed by each country:

LI: 2005 instead of 2004 data. IT: 2007 data was used for the reference year 2008. UK: provisional data used for 2008.

EU-27: Without BG and, RO in 2004. HR and CH started to report data for 2008. CH: 2008 provisional revised data.

### Cabotage performed in each country:

2008 data exclude the contribution of IT, UK, MK and TR. 2006 data exclude the contribution of BG, RO, HR, MK, TR, LI and CH.

## METHODOLOGICAL NOTES

Many of the data presented in this publication were collected in the framework of [Council Regulation \(EC\) 1172/98](#) on statistical returns in respect of the carriage of goods by road. These data are based on sample surveys carried out in the reporting countries, i.e. EU Member States and Norway, and record the road goods transport undertaken by vehicles registered in these countries.

However, data in Table 1, Graph 3 and Graph 4 come from Structural Business Statistics. Output price data in Graph 1 come from Short Term Statistics.

### Type of transport

Transport for **hire or reward** is the carriage of persons or goods on behalf of third parties for remuneration. Transport on **own account** is transport that is not for hire or reward.

### Economic activity

The economic activity considered here is the main economic activity of the business. Since 2008, it is reported according to NACE rev. 2, and road freight transport corresponds, in this publication, to the group H494 'Freight transport by road and removal services'. Previous reference years are reported according to NACE rev 1.1 and correspond to the class I6024 'Freight transport by road'.

For detailed information on the NACE classification, please refer to 'Ramon', Eurostat's Metadata Server ([http://ec.europa.eu/eurostat/ramon/index.cfm?TargetUrl=D SP\\_PUB\\_WELC](http://ec.europa.eu/eurostat/ramon/index.cfm?TargetUrl=D SP_PUB_WELC)).

### Cross-trade transport

Cross-trade transport is defined as international road transport between two countries performed by a road motor vehicle registered in a third country (movement of goods by road from country A to country B by hauliers registered in country C).

### Cabotage transport

Cabotage is declared by Member States for hauliers registered in their country that performed transport on the national territory of another country. Cabotage performed by each country sums up the cabotage performed by the hauliers of that reporting country on the territory of all other countries.

Cabotage performed in each country sums up the cabotage performed on the territory of that country by hauliers from all other reporting countries.

### Age of vehicle

Length of time after the first registration of a goods road vehicle, irrespective of the registering country. If the year of first registration is not known, the year of manufacture is used as a proxy.

Some countries might apply age thresholds for their sampling frame and thus exclude oldest vehicles (e.g. over 20 years old) from the survey.

### Structural Business Statistics

Data for Table 1, Graph 3 and Graph 4 have been extracted from the Eurostat dissemination database, Domain 'Industry, trade and services/SBS', table 'Annual detailed enterprise statistics on services (Annex 1) - (Nace: H, I, J and K)' and table 'Preliminary results on services, main indicators (NACE Rev.2)'.

Number of enterprises is a count of the number of enterprises registered in the business register. Dormant units are excluded. This statistic should include all units active during at least a part of the reference period.

Number of persons employed is defined as the total number of persons who work in the observation unit (inclusive of

working owners, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams).

Turnover comprises the totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties.

Average personnel costs represent personnel costs per employees. The number of employees is defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind (it is part of the Number of persons employed).

### Short Term Statistics

Output price data for Graph 1 have been extracted from Eurostat dissemination database, Domain 'Industry, trade and services/STS', table 'Service producer prices index - quarterly data - (2006=100)'.

Output prices (producer prices): Total output price index for an economic activity measures the average price development of all goods and related services resulting from that activity and sold inside and outside of the domestic market.

**Italy:** As road transport data for 2008 have not yet been reported, 2007 data have been used.

**Malta:** Since 2004, Malta has not reported any road transport data.

**United Kingdom:** As road transport data for 2008 have not yet been reported, 2007 data have been used. Provisional data was used for 2008 in Table 2.

**EU-27 totals** calculated in this publication refer to the transport or SBS data reported by the 27 Member States excluding Malta which is not reporting road freight statistics and SBS data.

### Data availability

The figures presented in this publication have been extracted from Eurostat's free dissemination database and reflect the state of data availability on the 18<sup>th</sup> February 2010.

### Country codes

EU-27: European Union of 27 Member States from 1 January 2007: Belgium (BE), Bulgaria (BG), the Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), the Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Romania (RO), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE) and the United Kingdom (UK).

Candidate countries and EFTA countries: Croatia (HR), the former Yugoslav Republic of Macedonia (MK), Turkey (TR), Liechtenstein (LI), Norway (NO), Switzerland (CH).

### In this publication

1 billion = 1 000 000 000  
- not applicable  
: not available  
c confidential

This publication was prepared with the assistance of Richard Butchart and Marie-Noëlle Dietsch.

## Further information

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