EGFSN STUDY
Assessing the Demand for Skills in the
Freight Transport, Distribution and Logistics sector in Ireland
2015-2020

18th February 2015
Aim of research

• To assess the skills and competencies required for freight transport, distribution and logistics (FTDL) activities in Ireland up to 2020, and propose recommendations to ensure the right skill base to meet enterprise needs

• Includes FTDL skills requirements for facilitating trade and the movement of goods within the country – by air, sea, road and rail

• Assesses skills needs at all levels for job openings arising from any expansion and replacement demand including opportunities for those at lower skill levels

• Action Plan deliverable for 2014

• Steering Group established

• AECOM Ltd commissioned to undertake research work and skill demand forecasts
Integrated elements of Research

Report & Recommendations

- Literature Review- Irish & International
- Key Informants Interviews- 25
- Enterprises Interviews- 40
- Three Workshops- 36 stakeholders
- Skills Demand Forecast Exercise
- Education & Training Supply Provision
- International Best Practice Review
- Steering Group Input
Typology of companies covered in the research

- Third Part Logistics Providers
- Internationally orientated Road Freight Transport companies
- Large Irish food companies who undertake their own international logistics
- Large domestic Retail Multiple Groups who undertake their own logistics and warehousing activities
- Operators engaged in intermodality and co-modality logistics activities
- Public bodies providing a service related to ensuring efficient international trade logistics
Relevant Representative Bodies

There are a range of relevant sector Bodies. All have a key role to play in collaborating to develop the skills and talent base of the sector.

- Freight Transport Association Ireland
- Chartered Institute of Logistics and Transport
- Irish International Freight Association
- Irish Aviation Authority
- ECR Ireland
- Irish Road Haulage Association
- Irish Exporters Association
- Irish Institute of Purchasing and Material Management
- Chartered Institute of Purchasing and Supply
- Institute of Chartered Shipbrokers
- Supply Chain Management Institute
- All-Ireland Warehousing Association
Profile of FTDL sector

• Given Ireland is an island, it is required to have expertise in facilitating a multi-modal supply chain incorporating sea, road, air freight and rail

• Irish trade exports valued at €89 billion in 2014 (2% annual increase) while imports valued at €54 billion (7% annual increase)

• Road Freight most common means of transporting freight, combination of well-known MNCs, large domestic providers and many small operators

• Air freight accounts for 1% of exports by volume but 30% by value - IT components, medical devices, pharmaceuticals, high value foodstuffs

• Sea freight experiencing growth - primary means of importing and exporting goods

• Rail freight has been in decline - approx 1% of all goods moved by rail- although there are plans to encourage greater use

• Warehousing is a key employer – more higher value operations taking place
There were an estimated 48,800 persons employed in core FTDL occupations in 2015. These occupations are spread across a range of sectors in the economy including transportation and storage, wholesale and retail trade and manufacturing.

Source: CSO, Census 2011
Findings

• The demand scenario forecasts anticipate that due to expansion and replacement demand for those employed in these core occupations that some 13,500 to 15,500 job vacancies could become available over the next 5 years.

• Job vacancies arising for two main reasons: the performance of the sector is expected to grow (60% of job vacancies) and the number of retirements/other replacement needs estimated (40% of job vacancies).

• In terms of numbers, the main anticipated skills demand is for HGV drivers with the required licence (45% of job vacancies).

• There is a demand for more graduate level entrants to ensure a provision of managers, planners and associated office workers.

• The use of sophisticated warehouse management systems is increasing the demand for warehouse managers, forklift operators, order pickers and warehouse operators.

• Also a demand for smaller (but important) numbers of skilled support staff - vehicle maintenance specialist technicians, e.g. for refrigerated vehicles / warehousing; IT support – general and software specific.
## Breakdown of Vacancies by Occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Employment est 2015</th>
<th>Employment est 2020</th>
<th>Vacancies (expansion+ replacement demand) 2015-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>HGV drivers</td>
<td>21,047</td>
<td>25,200</td>
<td>6,865</td>
</tr>
<tr>
<td>Mobile machine drivers and operatives</td>
<td>5,780</td>
<td>6,920</td>
<td>1,820</td>
</tr>
<tr>
<td>Managers and directors in storage &amp; warehousing</td>
<td>4,340</td>
<td>5,190</td>
<td>1,259</td>
</tr>
<tr>
<td>Managers and directors in transport &amp; distribution</td>
<td>3,725</td>
<td>4,460</td>
<td>1,156</td>
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<tr>
<td>Fork-lift truck drivers</td>
<td>3,275</td>
<td>3,920</td>
<td>968</td>
</tr>
<tr>
<td>Transport and distribution clerks and assistants</td>
<td>2,947</td>
<td>3,530</td>
<td>839</td>
</tr>
<tr>
<td>Aircraft pilots and flight engineers</td>
<td>1,770</td>
<td>2,275</td>
<td>662</td>
</tr>
<tr>
<td>Other drivers and transport operatives</td>
<td>1,360</td>
<td>1,630</td>
<td>461</td>
</tr>
<tr>
<td>Air transport operatives</td>
<td>1,240</td>
<td>1,595</td>
<td>453</td>
</tr>
<tr>
<td>Rail transport operatives</td>
<td>1,065</td>
<td>1,275</td>
<td>339</td>
</tr>
<tr>
<td>Train and tram drivers</td>
<td>715</td>
<td>855</td>
<td>199</td>
</tr>
<tr>
<td>Ship officers</td>
<td>650</td>
<td>750</td>
<td>183</td>
</tr>
<tr>
<td>Marine and waterways transport operatives</td>
<td>570</td>
<td>650</td>
<td>152</td>
</tr>
<tr>
<td>Importers and exporters</td>
<td>355</td>
<td>425</td>
<td>114</td>
</tr>
<tr>
<td>FTDL-14</td>
<td>48,840</td>
<td>58,675</td>
<td>15,471</td>
</tr>
</tbody>
</table>
Challenges

• Growing requirement for better trained and skilled staff at all levels

• Main drivers of change impacting on skills demand in the sector seen as regulatory and legal, followed by technological change; the economic outlook and market demand trends. Sustainability issues to a lesser degree

• Employers recruit from a variety of sources, with word of mouth and referrals a common method for recruiting for lower skilled roles and HGV driver roles

• A feature of the sector is a lack of coordinated approach to the delivery of relevant training and the provision of career paths especially for those at lower skilled levels – there are exceptions

• Lack of young talent entering the sector - profile low – lack of career pathways

• Sector has a relatively poor image - larger companies an exception
Recommendations

Several priority recommendations with time period and lead partners for their implementation:

(1) Develop a Freight, Distribution and Logistics Skills Engagement Group

(2) Develop National Occupational Standards for the FTDL sector to create career pathways in a range of roles including Warehousing and Storage, Freight Forwarding, and HGV Drivers

(3) Introduce new Apprenticeship/Traineeship programmes for the FTDL sector – starting with HGV Driving and Warehouse and Storage. New Apprenticeship Call January 2015

(4) Develop a schools/career service communication kit for the sector

(5) Build up FTDL SME management capability including transport compliance, logistics security, competitive bidding and sustainability

(6) Build-Up Global supply chain management skills within companies to ensure the standard of supply chain security and consistency sought by international companies
Recommendations

(7) Improve training provision for Freight Forwarders & Customs Brokers. A SOLAS funded short course could be introduced aimed at new entrants and those working in this area.

(8) Introduce short IT user FTDL sector specific courses for lower skilled to management level.

(9) Develop “soft skills” courses aimed at management level - most likely applicable for those that have “worked their way up”. Integrate into training/education provision at all levels.

(10) Encourage a lead centre for 3rd level institutions that deliver FTDL programmes as a point of first contact for industry. A centre such as DIT may be well placed to undertake this lead role. The centre should collaborate with SOLAS on developing progression pathways.

(11) Boost third level relevant logistics related provision (in terms of numbers and relevant course content) and ensure practical experience.

(12) Ensure a supply chain module is included in relevant business degree courses.

(13) Improve knowledge of the available range and quality of FTDL courses.
Full report available on the Expert Group on Future Skills Needs Website
www.skillsireland.ie