

A man in a white striped shirt stands in front of a large, decorated Tata truck. The truck is yellow and white with various colorful decorations and text in Hindi. The license plate is HR61C 5330. The background shows a dusty outdoor setting.

Logistics Challenge: Shortage of Truck Drivers Reasons & way forward

The trucks carry about 60-65% of the freight traffic in India

Availability of truck drivers is critical to logistic

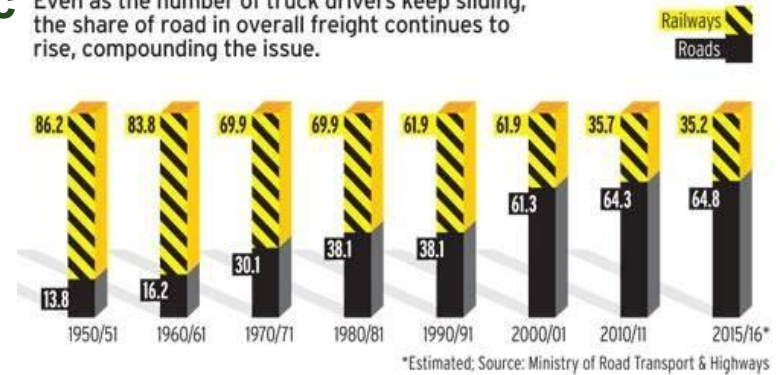
India needs truck drivers, who are....

1. well-trained and skilled
2. Physically and psychologically healthy
3. Financially stable
4. under Social Security Net
5. A part of “Digital India”

Lets' have a look at how we are doing..

THE OTHER PROBLEM

Even as the number of truck drivers keep sliding, the share of road in overall freight continues to rise, compounding the issue.



Why is it an unattractive profession?

Harsh Conditions

- Inadequate rest (11.9 hrs drive/day)
- sleep eat or shower ?
- Away from home

Poor Remuneration

- Erratic and low salaries
- Non-standardised wages/salary

Working

No Social Security

- Lack of regular employer-employee relationship
- 93% get no Insurance, retirement, PF, ...

Poor Health

- Poor health- HIV, Vision, neck/back, drugs
- A large number left out of "Ayushman Bharat

Poor Road Safety

- Lack of formal training/skilling.
- Fatigue related accidents
- 12.3 % of road accidents & 15% fatalities

Lack of respect

- Discriminatory behavior of enforcement
- 38% drivers not married - social stigma



Spotlight on life of a truck driver in India

“Truck drivers in our country are amongst the **most vulnerable sections of our society**. The **backbone of the national economy** is dependent upon the untiring and ever driving efforts and labour of the poor, mostly illiterate and the vulnerable. In the absence of the hard work and toil of truck drivers, economic activity throughout the country is bound to come to a standstill.”

Truck drivers **lack proper education; proper healthcare; face daily hardships; have strained and unstable personal relationships; and most importantly are most susceptible to be at odds with the law and the functionaries of the State**. These individuals are under the constant, endless pressure to make ends meet and ensure the survival of their families. It is these **vulnerabilities that make them prone to derelictions of the “dark side of human civilization”**.

Patna High Court on 22 Dec 2020

Low job satisfaction

53% are dissatisfied with their profession;

84% will not recommend trucking to their family members or relatives;

60% work for less than 15 years in the industry.



Shortage of truck drivers

25-28% trucks in India - idle due to shortage of drivers.

Economic impact- (65% modal share)- about 1-1.5% of GDP*

* rough estimate

Socio-Economic Impact

- **Cost of idling of trucks:**
 - 28-30% shortage leads to missed opportunities
 - 1-1.5% of GDP
 - Avg distance: 270 km per day. Global avg is 600 km/day
- **Cost of accidents** - Loss of life , property & Goods
 - Trucks- 5% of vehicles and 15.8% of fatalities
 - 22,637 deaths (trucks/lorries)=14.6% of the total deaths (NCRB- 2019)
 - 69% of fatalities between 18- 45 yr age group- Loss of productivity
 - Cost of fatalities- Over Rs 22,000 cr
 - Claims: Rs 35,519 cr settled during 2018-19 by general insurance companies
 - Compensation: The paid amount for the settled claims was Rs 18,262 crore.

Socio-Economic Impact

Reduced Life expectancy: of Truck driver less by 10 Yrs

Socio economic cost of road accidents- Rs 5.9 lakh crore, i.e. **3.1% of the GDP** (2018)- A study by TRIPP of IIT(Delhi) and DIMTS

India can add 14% to its Gross Domestic Product per capita if it successfully halves the number of road accidents crashes and injuries by 2038- **World Bank report 2019**

Holistic approach to cover all aspects-

1. Wayside Amenities- Resting & food + facilities
2. Training/Skill upgradation
3. Social Security & Empowerment
4. Digital Ease & Efficiency

WAY FORWARD

Collaboration amongst all stakeholders to provide 360° solutions



**State Govt &
Central Ministries**



**Logistics Service
Providers**

User Industries

NGOs



**Our Initiatives
Can CHANGE
this picture**



Wayside Amenities

- A **network of Amenities** to be developed along the **highways**
- **Location:** roadside-based on traffic density, truck throughput, proximity to industrial hubs, etc. And points where wheels stop (warehouses, etc)
- **Amenities :** Rest, food, hygiene, parking, repairs, recreation. Add-ons like wi-fi, ATMs, 24X7 store
- **Single Touch Point:** train and skill drivers, facilitation kiosks for welfare schemes. Health camps and mental-wellbeing/counseling
- **Greenfield as well as Brownfield facilities-** Integrate the existing dhabas etc by upgrading them to the standard.
- Explore **PPP model with beneficiaries like logistic service providers and user industries**
- Tie-up with **NHAI-** Highway Village Scheme



Model



Accommodation



Food &
Refreshments



Showers &
Toilets



Secured Parking



Locker & Storage



Garage

Grade B (Facilities)

100 drivers + 100 trucks



Training centre



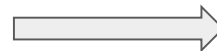
Common service centre



Recreation centre

Grade A (In addition)

200 drivers + 200 trucks



Grade A+ (in addition)

Driver Centre &
Transshipment facility

Transshipment Hub
(aggregation & disaggregation)

Training/Skill Upgradation & facilitation

To encourage supply of trained drivers

Four Focus Areas- Road safety, Financial literacy and Digital literacy & Mental health

Training in driving, road Safety, maintenance & compliance- before license
Facilitate process for obtaining license.

Sensitise the law enforcers to drivers in particular & logistics in general

Reduce number of compliances. Simplify

Sell this profession at “Rozgaar melas”. Follow-up. Facilitate.

Maintain contact digitally - Online content like videos, memes and games, posters and booklets.

Key word: **FACILITATE**

Social Security & empowerment

- Most drivers are without medical & insurance cover
- “Ayushman Bharat”: Based on SECC’2011. Truck drivers eligible as a category
- But only 2-2.5 lac transport workers enrolled. Of which, only 40-50k truck drivers.
Need to identify and enroll active truck drivers.
- A **mission** to provide affordable & accessible healthcare to drivers
- Frequent health camps, including counseling for well being
- Cover them under existing schemes
- Explore tie-ups with user industries, medical & insurance companies
- Innovative financial models to meet the expenditure- insurance companies etc

Digital Ease and Efficiency

Integrate Truck Drivers with the Digital India.

ELD(Electronic Logging Device) : for logging in and out- part of truck equipment

National Logistics Policy

1. **SLDE**: Secure Logistics Digital Exchange for digital document transfer across agencies.
2. **SAMMAN** (also **Green Trucking**) – easing **compliance burden** through an IT framework
3. **e-POD**- eliminate need to carry physical delivery proof
4. **TVPP** (Truck visibility and Positioning Program): to **facilitate finding return trips**. Better turnaround time.

Benefits

- 1.**Resolve shortage of truck drivers:** by providing safe and humane work environment. Make it preferred occupation.
- 2.**Integrated Infrastructure:** for complete logistics solutions. A cohesive network of wayside amenities with the multi-model logistic Hubs, MMLPs, Rail freight terminals etc along with the interventions in training and skill development
- 3.**Ensure Ease and Dignity.** Through Digital interventions providing a transparent and reliable mechanism for capturing verifiable data. Reduce hassles on road.
- 4.**Boost to logistics & economy:** Prevention of loss of life and property by reduction in accidents. Even a 20% reduction in compensation would amount to Rs 2000 cr. Efficiency on road will reduce overall cost of logistics, which is almost 1-1.5% of GDP as of now.

Collaborations

Govt

- State Governments
- MoRTH
- NHAI

Industry

- Automobile Industry
- Truck User Industries
- Truck Associations
- Insurance Companies

Subject specific Expertise

- Ayushman Bharat, MoHFW: Insurance
- MoHFW, NACO- Health Initiatives
- Deptt of Financial Services: Reduced insurance claims mobilisation
- MoHFW, NACO- Health Checkups
- MeITY: Digital Initiatives
- MSDE: Skill & Training

Specific Campaigns to stop protruding cargo

**Road
Safety
Week**

**18 Jan-
17 Feb**



Create awareness
Among general public.
Give opportunity to all
Stakeholders to
contribute to cause of
road safety.

Launch Drives this
month

Thank You

Comparisons with other drivers

Truck Drivers in India Vs other modes (Rail, Air)

Truck Drivers in India Vs Other countries

- Deplorable condition

Remuneration

**Hours of work -its
enforcement**

Resting facilities

Training

Healthcare

Social security

OBJECTIVES

1. **Multiplier effect** through cohesive & synchronised collaboration
2. **Holistic approach:** Address the entire lifecycle issues under one umbrella, instead of piecemeal efforts
3. **Draw Focus:** of the entire industry- Govt, Logistics Service Provider, beneficiary industries and Non-Govt. Make it a priority area

The Stakeholders

State Governments- Important role in establishing infrastructure and delivery mechanism for training, medical & insurance, communication and support structures

NHAI- a Wayside amenities development programme for providing resting and food facilities to drivers.

Regulatory Framework

1. **The Motor Vehicles Act**- work and rest regulations. But **lack of mechanism to enforce**.

2. **MoRTH- National Road Safety Policy** to promote awareness about the various aspects of road safety. Issued guidelines and schemes for Drivers' training centres, inspections and verification etc

Industry: Logistic Service Providers and user industries.

WAY FORWARD:

Collaboration amongst all agencies to provide 360° support to truck drivers- improving all aspect of their challenged lives

Highway Village : NHAI Highway amenities Scheme (basic model and issues)

Under Highway amenities scheme Land was acquired every 60 km or so of size 2 to 4 acres), On Both sides (staggered). There may be a Few thousand such locations

Model	Land owner	Development and operation by
I	Govt	BOT concessionaire who builds and operates the highway also builds and runs the Truckers facility
II	Govt	Truckers facility to be developed and operated through a bidding process on Govt land at some concession fees or lease fee
III	Pvt (Kisan)	Pvt landowner Join NH work with own land - Develop Truckers amenities in 15-25% of land and use rest for commercial exploitation in permitted sectors

Reasons for limited success

1. **Viability of the business ??** Focus of concessionaires – Interest in obtaining petrol pumps license etc
1. **Availability of credit** against land for this business
1. **Reluctance of private landowners** to enter into lease arrangement with government (Exit threat)

Need: Make business model attractive, involve beneficiaries/stakeholders, VGF

India Truck Drivers v/s Freight Train drivers

	Truck Drivers	Freight Train Drivers
Remuneration	Non-standardised, Low and volatile	Fixed basic income + Several allowances
Hours of work	Limit of 8 hrs/ day & 48 hrs/ week. No mechanism to check & ensure	Max 10 hrs duty/ day and 104 hrs/ 2 weeks. Defined rest period. Implemented through formal crew links. All data is logged in and maintained electronically
Resting facilities	Inadequate. Unsafe	AC Running Rooms as per formal standards.
Training	No formal training. No certifications	Regular Training as per set curriculum. Tech aids like simulators
Healthcare	Few covered under Ayushman Bharat. No health checkups	Railway hospitals. Scheduled Medical check-ups.
Social Security	Contractual employees. No social security available. Owners, under debt.	Govt Social security net

Indian Truck Drivers v/s UK & USA Truck drivers

	India	UK	USA
Annual Income	USD 1700 - 3300	USD 33,845 - 38,438	USD 45,260 approx
Working Hours Regulation	Limit of 8 hrs/ day & 48 hrs/ week.	Average 48 hrs/week; Max 60 hrs/ week Night work: Not > 10 hours in a day	Limit of 60 hours/ week or 70 hrs/ 8 days. Duty period must begin with at least 10 hours off-duty.
Enforcement/Penalties	Stringent rules. But no mechanism for enforcement	on-the-spot fines for drivers' hours offences. Monitored using Tachograph devices.	Enforcement mechanism. Vehicles placed on shut down (until drivers have enough off-duty time)

Economic impact

	Cause	Impact
Cost of compromise d road safety	<p>Road Crashes & Accidents- 1.5 lac deaths and 3 lac cases of disability (2019)</p> <p>Loss of property/goods.</p> <p>Litigation- 1.8 lac court cases under The Motor Vehicles Act</p>	<p>The direct costs of paying out the compensations estimated Rs 10,500 cr.</p> <p>Damage to goods worth Rs 1.7 lac cr.</p> <p>Transactional cost to economy due to litigations.</p>
GDP Loss	<p>Lost economic opportunities caused by shortage of truck drivers</p>	<p>Loss of over Rs 10000 crores per annum</p>
Public Health Cost	<p>Decreased life expectancy by up to 10 years.</p> <p>About 42000 HIV +ve truck drivers</p>	<p>Expenditure on healthcare and loss of productive manpower</p>

Resolving shortage of truck drivers - Key Insights from the Panel (2/2)

1. Key areas- Training & skilling, Healthcare & insurance, wayside amenities
2. Key takeaway- Devise innovation solutions in collaboration with all stakeholders for financing & delivery structures for above
3. States' initiatives-
 - Maharashtra- Smriddhi corridor-Mumbai-Pune- having the wayside amenities Integrated logistics park with all the amenities are planned at almost 100 places.
 - Telangana- Driver Empowerment programmes in association with Maruti Motors and SBI, Assistance to purchase vehicles in terms of subsidies, Creation of Truck hubs on PPP to provide state of art facilities for drivers.
 - Rajasthan- OEMs training centre for heavy vehicles. RSLDC plans to train 5000 drivers in level 4 NSQF courses in road safety & vehicle

Resolving shortage of truck drivers - Key Insights from the Panel (1/2)

Specific suggestions-

- Ensuring social security net for drivers by collaborating with corporate & Insurance companies to provide full family coverage during difficult times like the pandemic.
- Healthcare- Digital intervention to create a common repository of Truck drivers instead of SECC 2011 data and leveraging smart card for welfare to embark on Total Security Scheme
- Mechanism to have a real time monitoring & enforcement of rules for work & rest hours
- Rechristen Truck Driver to "Truck pilots" etc to motivate drivers and create a sense of dignity of work.
- Assessment of current gaps in the Training Infrastructure for Drivers in collaboration with associations and industry
- Need for a Training Infrastructure specific to different categories like Heavy Vehicles , ODC, Bulk etc. High CAPEX and land requirements.
- Mechanism to link Truck Insurance with Driver skills instead of Truck condition.
- Developing Truck Aggregation Models to introduce healthy competition in the Trucking industry and ensuring stability in drivers employment
- Promoting the OEMs, Tyre companies etc through regulatory framework for providing hygienic accommodation and food en-route, say at service stations etc.

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