

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





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

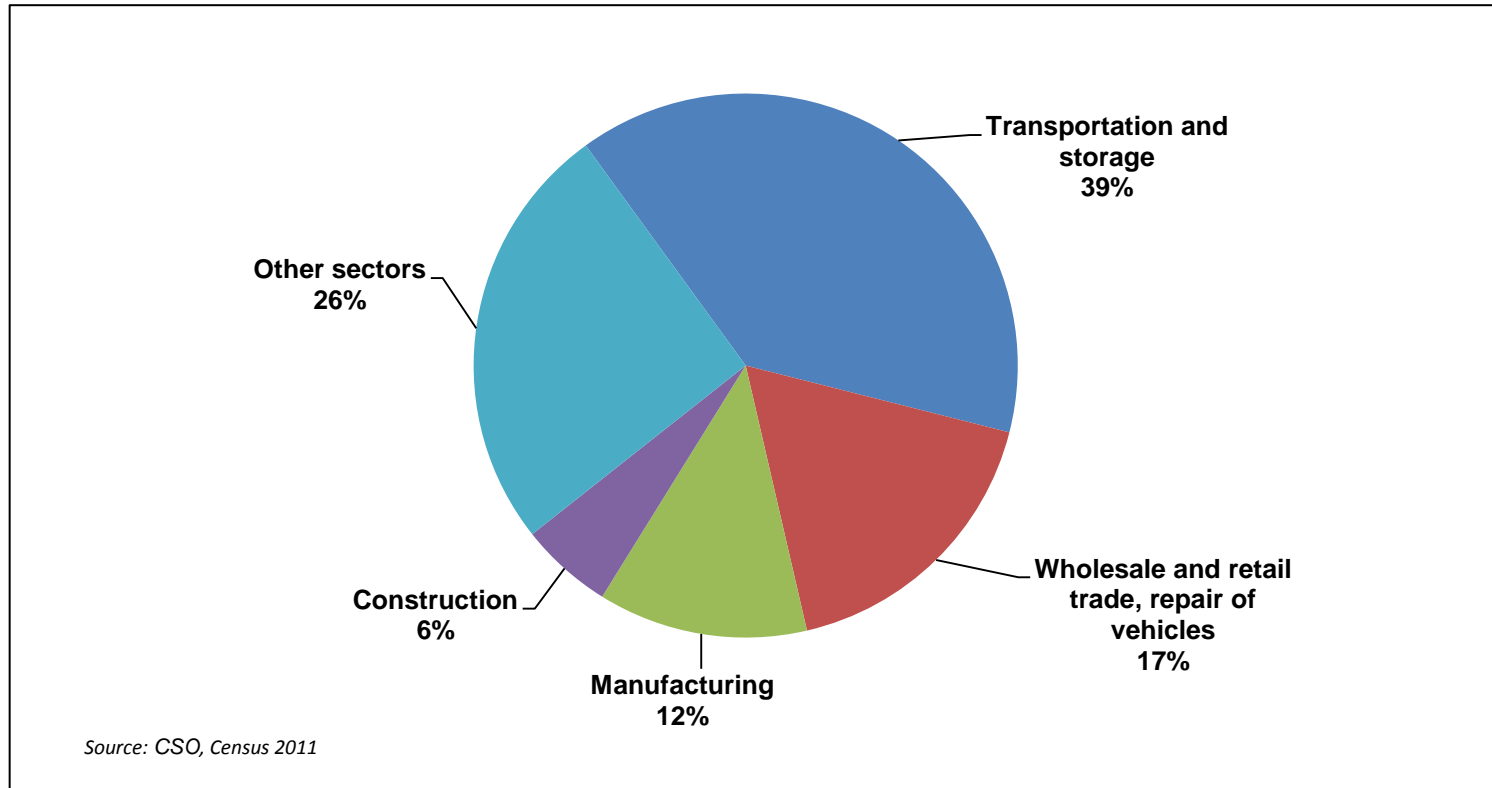


- Given Ireland is an island, it is required to have expertise in facilitating a multi-modal supply chain incorporating sea, road, air freight and rail
- Irish trade exports valued at €89 billion in 2014 (2% annual increase) while imports valued at €54 billion (7% annual increase)
- Road Freight most 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

Profile of FTDL Sector



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.





- 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



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



- 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

