

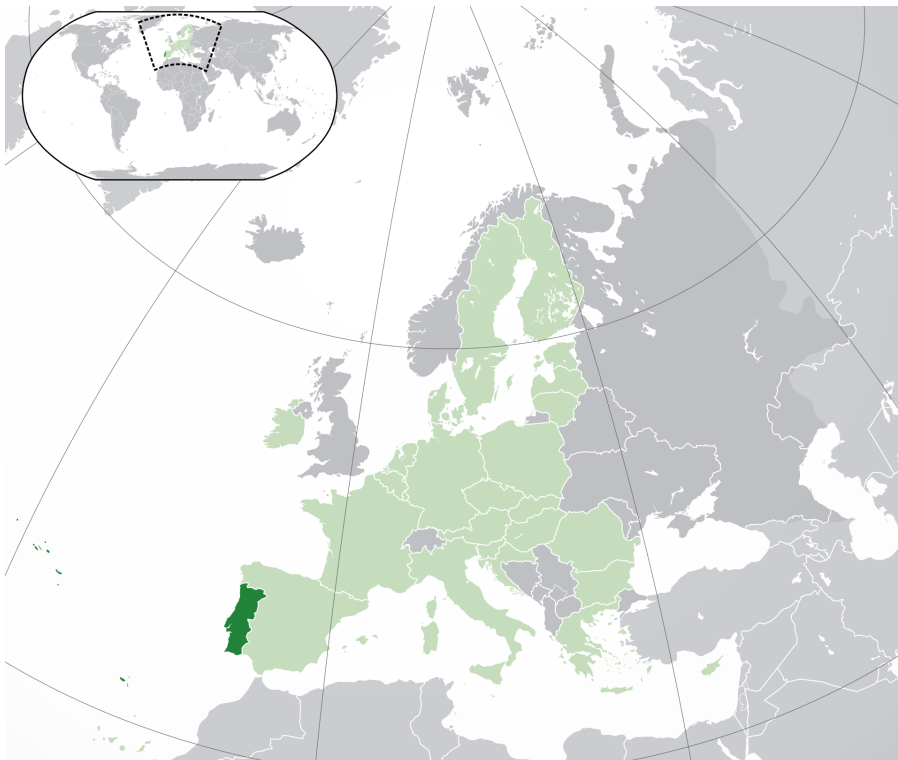


Comité National Routier



EUROPE STUDIES

The Portuguese road freight transport sector in 2019



Comité national routier

in partnership with
Conseil, Énergie et Transports

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Following on the Portuguese RFT sector monograph published in 2014,
this 2019 study aims to update the flag's activity statistics as well as
the standard operating conditions and costs of a 40-tonne HGV operating internationally.

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The coverage map is taken from <https://commons.wikimedia.org/wiki/File:EU-Portugal.svg>

ABSTRACT

The Portuguese RFT sector remains marked by a strong international activity representing more than two thirds of the flag's total activity. Since 2014, date of the previous CNR study, the Portuguese RFT sector has known important social changes. The new collective agreement (CCTV) signed on 8 August 2018 introduces an increase in the legal minima (gross basic salary, seniority, salary top-up, travel allowances) but also a new classification: the « Iberian driver ». Equally important change, the payment of two extra hours per day (clause 61) which replaces the former clause 74. Previously applied only to international transport, the payment of these two extra hours becomes mandatory for all drivers, regardless the type of transport (except those driving vehicles of less than 7.5 tonnes).

In summary, the total cost of a driver increases by +2.7 % per year on average between 2014 and 2019, for a total cost of € 29,979/year in 2019.

In addition to the driver cost, the insurance cost increased by +41.3 % compared to 2014 as well as tolls (+9.2 %) and the possession cost. (+16.8 %). These increases are, nevertheless offset by the fall in the annual cost of fuel, the largest cost item for Portuguese hauliers, established at € 43,909/year in 2019, down 14.6 % compared to 2014. A notable feature in Portugal, transport companies which make application for « *veículo longo* » pay only half of the axle tax. This practice seems to be mostly followed by the profession.

In the end, according to CNR calculations, the cost price, excluding overhead costs, of a Portuguese 40- tonne heavy goods vehicle operated internationally in 2019 remains the same as in 2014 at € 0.83/km.

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1. OVERVIEW OF PORTUGUESE ROAD FREIGHT TRANSPORT

1.1 THE PORTUGUESE RFT SECTOR IN 2018 - KEY DATA

STRUCTURE OF THE PORTUGUESE RFT SECTOR IN 2018

Structure of the Portuguese RFT sector in 2018

2018	Goods transported	Tonne-kilometres achieved		Average distance	Vehicle-kilometres achieved
	thousand tonnes	million t.km	%	km	million vehicle.km
TOTAL	156,650	32,963	100.0%	210	2,204
Domestic transport	131,483	10,530	31.9%	80	881
International transport	25,166	22,433	68.1%	891	1,323
<i>International transport of goods loaded in Portugal</i>	7,946	7,924	24.0%	997	483
<i>International transport of goods unloaded in Portugal</i>	8,990	7,878	23.9%	876	466
<i>Cross-trade</i>	5,189	5,518	16.7%	1,063	306
<i>Cabotage</i>	3,041	1,112	3.4%	366	68

Source : Eurostat

Portuguese road freight transport remains internationally oriented. International activity accounts for more than two thirds of the flag's total activity. The average distances travelled, given in kilometres, confirm the long-distance international nature of the Portuguese RFT sector.

EVOLUTION OF THE PORTUGUESE RFT SECTOR

Evolution of the Portuguese RFT sector in million tonne-kilometres

Million tonne-kilometres	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	AAGR*
TOTAL	39,091	35,808	35,368	36,453	32,935	36,555	34,863	31,835	34,877	34,186	32,963	- 1.65%
Domestic transport	17,114	14,424	12,881	12,673	11,180	9,773	10,469	10,791	10,382	10,854	10,530	- 4.74%
International transport	21,977	21,384	22,487	23,780	21,754	26,783	24,394	21,044	24,495	23,331	22,433	0.21%

Source : Eurostat

*Average annual growth rate

The Portuguese international transport activity remained relatively stable over the 10-year period leading up to 2018, with an average annual growth rate of 0.21%/year. By contrast, domestic activity in the Portuguese RFT sector fell sharply, from more than 17,000 million tonne-kilometres in 2008 to 10,530 million tonne-kilometres in 2018, i.e. an average fall of more than 4.7%/year. The flag appears to be struggling to recover after the significant drop-off in its activity following the 2008 economic crisis.

CABOTAGE

Cabotage in Portugal

Million tonne-kilometres	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	AAGR
Cabotage in Portugal	5	55	56	30	76	45	39	48	72	53	118	37.18%
Penetration rate of cabotage*	0.03%	0.38%	0.43%	0.24%	0.68%	0.46%	0.37%	0.44%	0.69%	0.49%	1.11%	-
Market share of cabotage**	0.05%	0.57%	0.63%	0.33%	1.00%	0.59%	0.50%	0.61%	0.96%	0.70%	1.56%	-

Source : Eurostat

AAGR: Average annual growth rate

*cabotage under foreign flag / total domestic transport (total domestic transport = total domestic transport + cabotage under foreign flag)

**cabotage under foreign flag / (domestic transport for hire or reward of the country + cabotage under foreign flag)

Cabotage carried out in Portugal increased over these 10 years, from 5 million tonne-kilometres in 2008 to 118 million tonne-kilometres in 2018, but the volumes of activity remain extremely low, with a penetration rate of 1%.

Cabotage under Portuguese flag in the 2 main "cabotaged" countries

Million tonne-kilometres	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	AAGR*
Cabotage under Portuguese flag	886	494	653	824	904	1,190	1,458	1,199	1,308	1,341	1,112	-48.73%
<i>in Spain</i>	617	273	325	441	441	626	766	658	655	735	533	-1.45%
<i>in France</i>	217	185	267	276	423	452	575	421	513	491	509	8.90%
Share of cabotage in Portuguese transport %	3.28	3.12	3.54	3.38	3.58	3.57	3.36	3.30	2.89	2.90	2.83	-

Source: Eurostat

*AAGR: Average annual growth rate

Cabotage carried out by the Portuguese flag accounts for more than 5% of Portuguese international road transport, or nearly 4% of the flag's total activity. It is almost entirely carried out in Spain and France. The cabotage activity conducted in France has more than doubled in 10 years, from 217 million tonne-kilometres in 2008 to 509 million tonne-kilometres in 2018.

1.2. FISCAL AND SOCIAL DEVELOPMENTS IN THE PORTUGUESE RFT SECTOR

NOTE ON SPECIFIC TAXATION APPLICABLE TO THE RFT SECTOR

Motor Vehicles tax

The *Imposto Unico de Circulação*, a Portuguese axle tax, applies to all vehicles, with a rate depending on engine size and, in the case of commercial vehicles, their weight. Vehicles are divided into different categories. Category D applies to 5-axle (2+3 Axles) Euro VI semi-trailer truck with pneumatic suspension. The tax is €546 per year for this category of vehicle¹.

A particular feature with regard to Portugal is that Article 5 of the *Imposto Unico de Circulação* Code allows hauliers who sign up for the "veículo longo" rate to pay only half the amount of the tax². Several hauliers interviewed make use of this provision.

Tolls

The Portuguese motorway network accounts for 3,065 kilometres – out of a total of 424,000 kilometres – of the road network in Portugal. Part of this network is equipped with electronic tolls administered by several companies such as Via Verde. According to CNR estimates, the average price of Portuguese

¹ <https://www.pwc.pt/pt/pwcinforfisco/codigos/isv-iuc.pdf> (page 49)

² https://impostosobreveiculos.info/legislacao-leis/codigo-imposto-unico-de-circulacao-completo-e-actualizado/#Codigo_IUC_Artigo_5 Article 5, paragraph 8 of the *Imposto Unico de Circulação* Tax Code

tolls is approximately €0.18/km. All motorway sections subject to this charge are listed on the Estradas site.³

Excise duty on commercial diesel fuel

In accordance with Directive 92/12/EC and 2008/118/EC, Portugal has instituted an excise duty system. Since 1 January 2017, Portugal has levied different taxes on diesel for commercial use and diesel intended for private use as motor fuel. It is capped at 35,000 litres per vehicle per year.

- As of 02 March 2020, excise duty stood at €51.26/hl.
- Currently, the amount of the refund stands at €18.26/hl.
- The net rate of excise duties applicable to commercial diesel is therefore €33/hl, i.e. in line with the European minimum.⁴

NOTE ON LABOUR REGULATIONS APPLICABLE TO ROAD FREIGHT TRANSPORT

Social dialogue

A new collective agreement (CCTV)⁵ for road freight transport was signed on 8 August 2018 between ANTRAM (the Portuguese Transport Federation), FECTRANS (the Hauliers and Communications Trade Union Federation) and the various trade union organisations. This updated agreement includes several changes: an increase in the statutory minimum wage, an increase in pay rates based on seniority, as well as a new category, that of “Iberian driver”. The latter concerns drivers who make regular trips to Spain involving nights spent on Spanish soil. These drivers are thus entitled to higher pay and travel allowances than domestic drivers. Also, a driver is deemed to be “international” when he or she makes regular trips outside the Iberian Peninsula.⁶ A further important change is the payment of two extra hours per day (clause 61) which replaces the former clause 74 (see page 6). Previously applied only to international transport, payment of these two extra hours has become mandatory for all lorry drivers, regardless of the type of transport they are involved in: i.e. whether international, Iberian or domestic (with the exception of those driving vehicles of less than 7.5 tonnes). Companies are required to apply the new overtime provisions within 3 months of the agreement coming into force.

Finally, the agreement clarifies the provisions concerning availability time and states that it is not considered as working time. Consequently, this time is not paid.

A new collective agreement was published on 8 December 2019. It entered into force on 1 January 2020. As the study was carried out in 2019, the data collected relate to the collective agreement of 8 August 2018, whose figures are the ones contained in this survey. However, the new collective agreement can be consulted on the ANTRAM website.⁷

Basic salary

In 2019, the legal minimum monthly wage for Portuguese lorry drivers was €630, not including the numerous mandatory allowances, which are explained below. Few companies in Portugal pay a basic salary higher than the minimum wage. 13th and 14th months of salary are mandatory. They may be

³ <http://www.estradas.pt/index>

⁴ Excise duties and mechanisms for partial refunds on diesel in Europe - CNR study, 19 March 2020

⁵ http://fectrans.pt/images/informacao/Acordos/Mercadorias/CCTV2018_Mercadorias.pdf

⁶ For more information regarding the definitions of the different categories of drivers and their associated consequences, see clause 45 of the collective agreement.

⁷ <https://antram.pt/conteudo/2472-novo-cctv-publicado-em-bte-sessoes-de-esclarecimento>

divided into twelfths and paid monthly, or else be paid in two instalments, usually in June and December.

Seniority

Seniority bonuses (*diuturnidades*) are provided for by the collective agreement. These are awarded starting from the third year working for the company and are revised upwards on a three-yearly basis thereafter. From the 3rd year of service, a driver with a Portuguese contract receives a bonus of €16 per month. After the fifteenth year, these bonuses are capped. Thus, a driver with 7 years' seniority (the average based on interviews) receives a seniority bonus of €32 (2*€16).

Salary top-ups - Clause 45

Portuguese lorry drivers benefit from a salary top-up, the amount of which depends on the type of vehicle and the length of trips driven. In the case of a driver assigned internationally and driving a 40-tonne semi-trailer truck, the salary top-up is €31.5/month.

Salary top-up - Clause 45a

Group	Type of vehicle	Basic salary	Amount of salary top-up					
			Domestic		Iberian		International	
I	Under 7.5 tonnes	€ 610	0	€ 0.00	1.01	€ 6.10	1.02	€ 12.20
II	From 7.5 tonnes to 44 tonnes	€ 630	1.02	€ 12.60	1.03	€ 18.90	1.05	€ 31.50
III	More than 44 tonnes	€ 630	1.04	€ 25.20	1.06	€ 37.80	1.10	€ 63.00

Source: Antram collective agreement

Night work - Clause 48

The law provides for the payment of an additional 25% for hours worked at night between 10 p.m. and 7 a.m. The employer may also choose to offer a night work allowance of 10% of the base salary, i.e. €63/month. The collective agreement requires this lump-sum night work allowance to be paid as a matter of course to lorry drivers involved in Iberian or international transport, even if no transport operations take place during these hours. However, it is optional when it comes to domestic activity.

Overtime - Clause 61

The collective agreement also stipulates that any lorry driver driving a vehicle of more than 7.5 tonnes, regardless of the type of activity – domestic, Iberian or international – must be paid two extra hours per day. The calculation of these hours takes into account the basic legally mandated salary, i.e. €630, the salary top-up (clause 45) and seniority.

Overtime pay is calculated as follows:

- an additional 50% for the first hour,
- an additional 75% for the second hour.⁸

The total value of the two extra hours must be multiplied by 30 days.

⁸ Clause 49a. of the collective agreement as applied in the Portuguese RFT sector.

The payment of these hours replaces paragraph 7 of the former clause 74⁹ was criticised at the time for its lack of precision in legal terms.

International haulage bonus - Clause 60

The “international haulage bonus” (*Premio TIR*) is paid to workers who travel abroad in the performance of their duties. It is independent of the number of days spent abroad. In 2019, it amounted to €130 per month. Considered as travel-related pay, it is not subject to social security contributions and is paid over 13 months. The international haulage bonus is now paid to Iberian drivers and amounts to €110 per month.

Work on weekends and public holidays - Clause 51

Work carried out on weekly rest days, in particular on weekends or public holidays, is paid at twice the daily rate, regardless of the number of hours worked.

The following formula is used to calculate the daily rate:

Monthly pay/30 days = Daily pay.¹⁰

The monthly pay figure used includes basic salary, seniority and clause 45.

Travel allowances

The minimum amount of the international statutory daily allowance is €35 in 2019, regardless of the destination. When it comes to domestic activity, the daily travel allowance is €21.50 and €25 for the Iberian Peninsula.

However, according to field surveys carried out by the CNR, it seems that mileage-based travel allowances are still widespread in Portuguese transport companies. They range between €0.045/km and €0.11/km.

Social security contributions

Social contributions in Portugal as of 1 January 2019

Social contributions applicable to driving staff as of 1 January 2019 (in %)	Employer	Employee
Illness-maternity, disability, old-age, survivors, occupational illnesses and unemployment (SGD)	23.75%	11.00%
Occupational accident protection	4.70%	0.00%
Total	28.45%	11.00%

Source: Cleiss

Occupational accident protection is the responsibility of the employer, who is required to obtain insurance from an approved private insurance company. The cost of the insurance premium depends on the nature of the activity and the level of the company’s exposure to risk. In transport companies, it amounts to 4.70%.

⁹ For more information regarding clause 74, the CNR’s Portugal 2014 study is available online.

¹⁰ Clause 51 of the collective agreement as applied in the Portuguese RFT sector.

Personal income tax

2019 income tax in Portugal

Annual taxable incomes (in €)		Applicable rate	Deductable amount
From	To	%	€
-	7,091	14.5	-
7,091	10,700	23.0	602.74
10,700	20,261	28.5	1,191.23
20,261	25,000	35.0	2,508.11
25,000	36,856	37.0	3,008.25
36,856	80,640	45.0	5,956.67
80,640		48.0	8,376.08

Source: PWC

Portugal operates a system of withholding tax for the payment of income tax.

2. STUDY OF THE OPERATING CONDITIONS AND COSTS FOR A 40-TONNE PORTUGUESE HGV OPERATING INTERNATIONALLY

This part of the study describes the economic and social conditions prevailing in 2019, at the time this updated study was conducted. In carrying out this study, the CNR has drawn on a research focused primarily on the fiscal and social aspects of the RFT sector, as well as on previous CNR studies of the country. Feedback from the experts with whom the CNR collaborates, as well as information from collective agreements and other documents issued by professional federations, are used to provide an overview of the Portuguese RFT sector's international operations and to highlight the main developments observed since the last study. This research and process of dialogue are further backed up by interviews with Portuguese hauliers and lorry drivers (see below and page 18).

All the figures eventually adopted by the CNR in order to construct the standard profile represent the best expert appraisal of this set of data sources.

2.1. OPERATING CONDITIONS AND COSTS FOR COMPANIES

This section is mainly based on face-to-face interviews with 12 Portuguese road freight transport companies involved in long-distance transport operations, mainly internationally. The companies included in this study have the following characteristics:

	Number of tractors	Principal markets	Number of drivers	Turnover
Company 1	4	France, Belgium, the Netherlands, the United Kingdom	5	n.d
Company 2	2	The Netherlands, Belgium, the United Kingdom, France	2	n.d
Company 3	17	The United Kingdom, the Netherlands, Germany, Norway	17	€ 3,000,000
Company 4	9	Spain, France, Belgium, the Netherlands, Germany, Luxembourg	9	€ 890,000
Company 5	3	The Netherlands, Scandinavia, France	3	n.d
Company 6	58	France, Germany, Benelux, Italy	68	€ 7,000,000
Company 7	40	Spain, France	45	€ 5,000,000
Company 8	50	The United Kingdom, France, Germany, Benelux	50	€ 6,000,000
Company 9	8	Spain, France	8	€ 900,000
Company 10	10	Europe	9	€ 1,200,000
Company 11	24	Benelux, Germany, Switzerland, Denmark	24	€ 2,400,000
Company 12	10	Germany, the Netherlands, France	10	€ 1,500,000

The companies visited for this study are extremely diverse in terms of their size and structure. They are all specialised in international RFT.

To enable a comparison with the data from other CNR country studies, only companies whose main activity is international long-distance freight transport have been selected. In addition to international transport, some companies also provide logistics and regional transport services.

The CNR is hereby reporting the results of these interviews, which have no statistical value. However, they do shed light on figures and information obtained elsewhere. Ultimately, the CNR uses figures based on expert opinion to establish the costs and operating conditions that pertain for a "standard" HGV operating internationally.

VEHICLES

Vehicle use depends on the characteristics of the customer and the main markets in which the companies operate. The number of days vehicles are operated varies between 231 and 275 days, with a clustering around 242 days per year. The average annual mileage travelled by the vehicles of the hauliers we met with is between 120,000 and 155,000 km, with a clustering around 140,700 km per year. The length of time tractor units are kept ranges between 5 and 10 years, with a clustering around 7 years for the vast majority of companies surveyed. Vehicles are often acquired via 60-month leasing contracts and kept for an additional 2 to 3 years after the end of the contract.

The tractor/semi-trailer ratio reported in the course of company surveys is 1.06.

EQUIPMENT

The average purchase price of a new Euro VI tractor is between €85,000 and €90,000, with a clustering around €85,500. The purchase price of a new semi-trailer is estimated at €27,000. Companies seem to mainly use leasing over periods ranging from 24 to 60 months, with a clustering around 60 months.

However, the use of bank loans and self-financing remains fairly common. Companies using their own funds to buy used vehicles with value of between €20,000 and €50,000. Alternatively, other companies opt for vehicle rentals, often over 60 months, with maintenance and repairs included.

When it comes to international activity, the period for which a tractor is kept is between 7 and 8 years, and between 10 and 12 years for semi-trailers.

Data on interest rates (estimated at 1.5 %) and leasing contract conditions allow the annual cost of owning a 40-tonne semi-trailer truck to be calculated. It is nearly € 14,431, with a ratio of semi-trailer/tractor ownership of 1.06.

FUEL

Diesel seems to still be the largest cost item for Portuguese hauliers, greater even than the driver cost, as previously noted the 2014 CNR study on the Portuguese RFT sector. Average diesel consumption was 32.6 litres per 100 km in 2019. This high average is explained in particular by the loads carried and by the presence of Euro V (and sometimes even Euro IV) vehicles in the fleets. As a reminder, the estimated consumption in 2014 was 32.34 litres per 100 km.

None of the hauliers we met with have fuel tanks. However, it should be noted that many Portuguese carriers do have such tanks. Most of them fill up in Spain for the most part, where they are able to obtain attractive prices. A system of partial refund of excise duty on commercial diesel is also in operation. According to the findings of the CNR, companies mainly fill up in Spain (95%) and France (5%). According to European Commission publications, the average 2019 fuel price in Spain (after partial refund of excise duty) was €0.9544/litre (compared with €1.0218/litre in France after partial refund of the French TICPE excise tax).

Based on the fuel shopping basket calculated by the CNR (using information provided by companies), the price of one litre of fuel is € 0.9578.

MAINTENANCE & REPAIRS

Almost all the companies visited have an in-house garage. The remainder entrust the maintenance of their fleets to their local dealership, often on a contract basis. This is the case for hauliers that have

opted for vehicle rentals. The annual cost of maintenance-repairs for a 40-tonne semi-trailer truck is estimated to be €6,000/year. It has changed little since the study carried out by CNR in 2014. As a reminder, the annual estimated amount at the time was € 5,920 per semi-trailer truck. Several hauliers we met with take care of their own vehicle maintenance in their own garages. This may partly explain why this cost item is relatively low compared to those of neighbouring countries. For example, cost of maintaining and repairing a 40-tonne French semi-trailer truck is more than €9,000/year.

TYRES

The annual cost of tyres ranges widely, from € 1,940 to € 4,000. This cost item varies greatly depending on the method of purchase of the vehicles (with or without a tyre contract), but also depending on the mileage and the loads transported. Almost all the hauliers with an in-house garage we interviewed change and maintain their fleets' tyres.

Based on information provided by Portuguese hauliers, the annual cost of tyres for a 40-tonne semi-trailer truck is estimated at €3,060.

TOLLS

This cost item is highly dependent on the location of the hauliers' main customers. Thus, a company operating almost exclusively in France and Spain may spend up to €8,000 in annual tolls per semi-trailer truck, while another company operating frequently in the Netherlands, Belgium, Germany or the United Kingdom may end up spending in excess of €16,500 per year per vehicle.

According to CNR calculations, the cost of tolls is around €14,200 per year per vehicle based on a mixture of medium- and long-distance international trips.

This cost item has changed little since the 2014 CNR study. The amount at that time was around €13,000 for a 40-tonne heavy goods vehicle. Portuguese hauliers seem to be particularly sensitive to this cost item and avoid, where possible, certain toll roads.

INSURANCE

The amounts reported by hauliers vary widely, ranging from €2,160 (per year, per vehicle) to €4,000 (per year, per vehicle). The companies visited in the main opted for comprehensive insurance.

The figure estimated by the CNR for a 40-tonne semi-trailer truck with comprehensive insurance is €3,250 per year. Insurance costs in Portugal appear to be high compared to those of its neighbours. The hauliers we interviewed stated that they had little room for negotiation due to an insurance market that appears to be uncompetitive.

AXLE TAX AND OTHER VEHICLE TAXES

These taxes amount to €546/year for a 40-tonne, 5-axle Euro VI semi-trailer truck with pneumatic suspension.

STRUCTURAL COSTS

Information on structural costs is often difficult to collect. How they are calculated differs from one company to another. Some take into account the cost of the in-house garage, while others include in their calculations the cost of ancillary activities such as logistics. The professionals we met on-site estimated this cost at between 8 and 10% of the total cost of the vehicle.

2.2. EMPLOYMENT CONDITIONS AND DRIVER EMPLOYMENT COSTS

Employment conditions and driver pay in Portugal were surveyed during two rounds of interviews: a first phase in companies with employers; and a second phase, involving face-to-face interviews with drivers in car parks and rest stops near Urbasa and Arroio in Spain.

During this second phase, around twenty drivers, employees with Portuguese contracts, volunteered to be interviewed about their working conditions and pay.

Based on an analysis of these sources and a review of the literature, the CNR has produced a standard profile (in terms of employment conditions and pay) of an RFT driver with a Portuguese contract working internationally.

WORKING CONDITIONS

Permanent contracts are the most common form of employment contract in the sector. Portuguese hauliers often use fixed-term contracts (six to nine months, renewed once) before converting the contract into a permanent contract. The number of working days per year is 233 days, ranging from 231 days to 260 days. The legal number of days of paid leave is 22 working days plus 13 public holidays. Several drivers interviewed stated that they have 30 days of paid leave per year, inclusive of public holidays, which are usually taken in winter and summer. In other words, drivers' actual working year averages 10.75 months. The average seniority, as noted during interviews with Portuguese companies is 7 years. This figure is the same as the one recorded in 2014.

In terms of their schedule, Portuguese drivers assigned to international duties generally spend between 16 and 20 nights away from home per month, and the vast majority of them go home at once every two weeks. However, it should be noted that a growing proportion of drivers say they go home every weekend.

Finally, the average mileage that emerges from company surveys is almost 135,800 km per year. Meanwhile, drivers report driving nearly 135,300 km annually. The average used in this updated study is 135,500 km per year. The driver/tractor ratio was 1.04.

Portuguese hauliers are also facing a shortage of drivers. To remedy this, they hire foreign drivers, particularly Brazilian drivers, which is made easier by the fact that they share a common language.

NOTE ON DRIVING PERSONNEL COST FORMATION

International driver pay

The monthly legal minimum wage for a Portuguese lorry driver is €630 gross per month. This figure is stipulated in the collective agreement and is also widely used by companies.

The minimum wage is supplemented by a seniority-based top-up – €32/month for a lorry driver with 7 years' seniority – and by allowances linked to the various clauses (clauses 45, 48, 60 and 61) of the same agreement. Lorry drivers are paid over 14 months. The 13th and 14th months have spread out over the twelve months of the year to allow the cost of a "standard" driver to be calculated (see below). This figure takes into account the legal minimum wage (€630), the international top-up of €31.50, the seniority-based top-up of €32, as well as clauses 48 and 61 exclusively for the 13th month.

In addition to the fixed salary, there is a variable component, which consists of travel allowances. Most of the drivers we met said this allowance was based on mileage. The rate ranged between €0.045 and €0.11 per kilometre. However, some hauliers and drivers we met said they paid/received daily

allowances as provided for in the collective agreement, i.e. €35/day regardless of the destination. In addition to these travel allowances, Portuguese drivers receive the international haulage bonus for each month worked. It amounts to €130/month for drivers working internationally. Weekend allowances also needed be factored in (clause 51). In the case of a “standard” Portuguese driver working internationally, a standard figure of 2 weekends per month has been used.

STANDARD PROFILE OF A DRIVER WITH A PORTUGUESE CONTRACT WORKING INTERNATIONALLY AND BREAKDOWN OF HIS COST


Standard profile of a Portuguese driver - Portugal - 2019					
Characteristics		<ul style="list-style-type: none"> - Driver working 100% of his time internationally. - Return to base every two weeks on average. - Basic salary calculated according to the legal minima of the collective agreement. - Average seniority of 7 years. - Two calculation methods coexist for travel allowances: daily flat rate of € 35 per day or a mileage-based travel allowance between € 0.045 and € 0.11 per km. The kilometre allowance remains the most common case with drivers and companies met. - Service time of nearly 200 hours per month over 10.75 months. 			
Annual mileage achieved		135,500 km			
Number of actual working days per year		233			
Number of working weeks per year		45.5			
Number of driving hours per year		1,980			
Breakdown of the cost of a standard Portuguese driver in 2019					
Official presentation on pay slips					
EMPLOYER			EMPLOYEE		
Gross salary	Unit	€ 1,229.50	Gross salary	Unit	€ 1,229.50
Conventional minimum gross salary	30 days	€ 630.00	Conventional minimum gross salary	30 days	€ 630.00
Seniority	7 years	€ 32.00	Seniority	7 years	€ 32.00
Additional salary - Clause 45		€ 31.50	Additional salary - Clause 45		€ 31.50
Clause 48 - Night work (10% of the minimum salary)		€ 63.00	Clause 48 - Night work (10% of the minimum salary)		€ 63.00
Clause 61 (2 extra hours per day)	60 hours	€ 325.08	Clause 61 (2 extra hours per day)	60 hours	€ 325.08
Monthly payment for the 13th and 14th months		€ 147.92	Monthly payment for the 13th and 14th months		€ 147.92
Social contributions	28.45%	€ 349.79	Social contributions	11.00%	€ 135.25
SGD	23.75%	€ 292.01	SGD	11.00%	€ 135.25
Work accident insurance	4.70%	€ 57.79			
Gross salary subject to employer's contributions excluding Premio TIR and weekend allowances		€ 1,579.29	Net salary before income tax during 10.75 months of actual work excluding Premio TIR and weekend allowances		€ 1,094.26
			Income tax		145,87 €
Premio TIR (working months only) - Clause 60	13 months	€ 140.83	Premio TIR (working months only) - Clause 60	13 months	€ 140.83
Weekend allowances (working months only) - Clause 51	2 weekends	€ 184.93	Weekend allowances (working months only) - Clause 51	2 weekends	€ 184.93
Gross salary subject to employer's contributions, all bonuses and allowances included (for one month of full activity)		€ 1,905.06	Net salary after income tax (for a month of full activity)		€ 1,274.15
Travel allowances for an actual working month (10.75 months per year), 35 €/day		€ 700.00	Travel allowances for an actual working month (10.75 months per year), 35 €/day		€ 700.00
Monthly cost of a driver during a month of full activity		€ 2,605.06	Net salary of a driver for a month of full activity		€ 1,974.15
Breakdown of the annual cost of a standard Portuguese driver in 2019					
Fixed gross salary subject to employer's contributions * 10.75 months	10.75 months	€ 20,479.41	Fixed salary after income tax * 10.75 months	10.75 months	€ 13,697.09
Fixed salary during 1.25 month (paid leaves, public holidays, inactivity)	1.25 month	€ 1,974.12	Fixed salary during 1.25 month (paid leaves, public holidays, inactivity)	1.25 month	€ 1,185.48
Travel allowances * 10,75 months		€ 7,525.00	Travel allowances * 10,75 months		€ 7,525.00
Total annual cost		€ 29,978.52	Annual net salary		€ 22,407.57
Cost of one hour of driving €		€ 15.14	Average monthly net salary		€ 1,867.30
Cost per kilometre €		€ 0.22			

Source: CNR Europe studies

Based on CNR surveys, driver costs have increased by 14.3% since 2014. The total annual cost of a driver in 2014 was €26,217, compared with €29,979 in 2019. This rise is explained by the increase in salaries provided for in the updated collective agreement signed in August 2018, which concerned both gross salary and travel allowances. In the space of 5 years, the total annual cost of an international driver increased by +2.7%/year on average. The number of working days per year and the annual mileage driven by a "standard" driver with a Portuguese contract have changed little.

Overall, the cost of an hour of driving rose to €15.14, an increase of more than 14.4% compared to 2014. As a reminder, the cost recorded by the CNR in 2014 was €13.24/hour. It remains comparable to the hourly costs encountered in certain countries in Eastern Europe.

2.3. OVERVIEW OF THE OPERATING CONDITIONS AND COSTS OF A “STANDARD” INTERNATIONAL HGV

Operating conditions and costs excluding overhead costs, for a 40-tonne HGV operated on long distance international routes, 2019 conditions 		
	unit	Portugal Simulation
Yearly mileage of vehicle	km	140,700
Number of operating days	days/year	242
Semitrailer/tractor ratio		1.06
Driver cost	€/year	29,979
Driver/tractor ratio		1.04
Yearly cost of vehicle financing and possession	€/year	14,431
Average consumption per 100 km	litres	32.6
Unit fuel price, 2019 average*	€/litre	0.9578
Fuel cost	€/year	43,909
Tyres	€/year	3,060
Maintenance-repair	€/year	6,000
Tolls and vignette	€/year	14,200
Insurance (vehicle)	€/year	3,250
Axle tax and other vehicle taxes**	€/year	546
Synthesis - cost price (excluding structural costs)		116,492
Cost/mileage ratio per annum	€/km	0.83

Source :CNR Europe studies

* After partial refund of excise duty in Spain

** Excluding "veículo longo " request, if so the axle tax is € 273/year and per semi-trailer truck

According to CNR calculations, the cost per kilometre of a 40-tonne Portuguese heavy goods vehicle operating on international long-distance routes, excluding structural costs, is €0.83. It remains the same as that calculated by the CNR in 2014. Certain cost items such as driver cost (+14.3%), cost of vehicle possession (+16.8%), tolls (+9.2%) and insurance (+41.3%) increased compared to 2014, but these increases are offset by the fall in the annual cost of fuel, the largest cost item for Portuguese hauliers. This fell from €51,426/year in 2014 to €43,909/year in 2019, down 14.6%.

Ultimately, when structural costs (estimated at around 8% of the total cost) are factored in, the cost price in 2019 is estimated at €0.89 per kilometre. This estimate is perfectly in line with the information provided by the hauliers, who estimate their cost price between €0.80/km and €0.90/km.

3. BIBLIOGRAPHY

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4. APPENDICES

Appendix: Collective agreement (CCTV) between ANTRAM and FECTRANS applicable to the Portuguese road freight transport sector - Portuguese edition