

## EUROPEAN STUDIES

### Road freight transport in Italy in 2021





# Comité national routier (CNR)

in cooperation with the consulting firm  
Conseil Energie Transport

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### Road freight transport in Italy

### 2021 study

Comité national routier – Paris

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## WARNING

The reference period for this edition on the Italian RFT is the year 2021.

For certain information, the 2022 or even 2023 data can sometimes be indicated in addition, but concerning the standard profiles, these are established at the economic conditions of 2021.

It is also important to note that the interviews with the companies and the drivers were conducted during the second year of the Covid health crisis. Some of the figures in this study may thus have been affected by the crisis. This point thus needs to be taken into account when interpreting the findings.



## SUMMARY

The fifth-largest European sector in terms of total activity, the Italian RFT sector has begun to show signs of recovery after a decade of stagnation. Having suffered as a result of stiff competition from its neighbours to the east, the Italian sector has now adapted to these developments by keeping a tighter rein on costs. The shortage of labour in the countries located in the east of the EU, as well as the soaring wage costs of their drivers, have clearly helped the Italian sector to regain competitiveness.

As regards infrastructure, the country has a well-developed, albeit ageing network. The collapse of the Morandi bridge in Genoa in 2018 dramatic illustration of this situation. This disaster forced the Italian authorities to take urgent measures to renovate roads and engineering infrastructure, in particular by reviewing the contracts of motorway concession holders in order to incentivise them to carry out checks and bring their network up to standard.

On a structural level, the Italian sector is reorganised. Previously, the sector had a large number of owner-drivers, or "padroncini", but the size of the companies is growing and smaller companies owning one or two vehicles are disappearing. Between 2015 and 2020, the sector shed around 7,000 companies, mostly padroncini, who went on to become employees of the companies that had formerly subcontracted work to them.

In terms of costs, the 2017 CNR study revealed a significant disparity in driver costs between France and Italy, as well as very high average fuel consumption in Italy due to its ageing vehicle fleet. Four years on, the increase in driver costs seems to have been modest, up by 3.5% over the period. The renewal of the fleet has enabled the Italian flag not only to achieve average fuel consumption close to the European average, but also to reduce the cost of maintenance and repairs. Meanwhile, productivity has slipped, with around ten days of operation lost over the same 4-year period.

According to CNR calculations, the cost per kilometre of an Italian 40-tonne heavy goods vehicle used for international long-distance transport has risen 4% compared with the last study. This increase is largely due to an increase in vehicle ownership cost (+8.5%) owing to the modernisation of the fleet. The drop in fuel consumption is significant, but any resulting gains in terms of annual costs have been eroded by the rise in the price of diesel. Vehicle mileage decreased by 2.6%.

Overall, total costs had increased to 1.33€ per kilometre by the end of 2021. Thanks to careful cost management, the sector has returned to its 2011 level of activity, with international operations representing a larger share than domestic business.





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# 1. ECONOMIC AND SOCIAL ENVIRONMENT OF THE ITALIAN SECTOR

## 1.1. ITALY IN BRIEF

Capital	Rome
Area	302,073 km <sup>2</sup>
Population	59,109,668 inhabitants
Official EU language(s)	Italian
Political system	Parliamentary Republic
President of the Republic	Sergio Mattarella
Prime Minister	Giorgia Meloni, since 22 October 2022
Minister of Transport	Matteo Salvini, since 22 October 2022
Date of EU membership	1 January 1958
Date of adoption of the euro	1 January 2011
Seats in the European Parliament	76 seats
European Commissioner	Paolo Gentiloni, Commissioner for Economic and Monetary Affairs, Taxation and the Customs Union
GDP growth (%)	+3.7% (Eurostat, 2022)
Inflation (%)	+8.7% (Eurostat, 2022)
Unemployment rate (% of active population)	7.8% (Eurostat, 2022)
Trade balance	-30.7 billion euros (2022)
Gross monthly minimum wage	no national minimum wage
Greenhouse gas emissions	6.5 tonnes/inhabitant (Eurostat, 2020)

## 1.2. ROAD FREIGHT TRANSPORT IN ITALY

### TRANSPORT AND INFRASTRUCTURE POLICY

#### *Transport policy<sup>1</sup>*

Italy plays a key role in the development of a European transport strategy that is based on intermodality, an integrated approach to transport infrastructure and, in particular, on the nine transnational corridors that make up the Trans-European Transport Network (TEN-T). Four of these nine European corridors cross Italy: the Baltic-Adriatic Corridor ends in Trieste, the Mediterranean Corridor crosses Italy from Turin to Trieste, the Scandinavian-Mediterranean Corridor crosses the Brenner pass, continuing all the way to Augusta in Sicily, and the Rhine-Alpine Corridor links Genoa to the North Sea ports.

Among the activities and projects promoted by the Ministry of Transport, there are significant national initiatives and projects to connect national networks to the major European transport networks, which are both strategic from an economic and commercial point of view as well as being vital for improving domestic connectivity.

With regard to national transport, the Ministry is working on the development of a denser infrastructure network better suited to current challenges. In 2019, the European Commission approved the National Operational Programme on Infrastructure and Networks, investing 1.8€ billion in Italian rail infrastructure, port infrastructure and intelligent transport systems. This funding comes on top of significant national funding specifically earmarked for rail links in southern Italy, with particular focus on ports and airports that are currently poorly connected or isolated from the national infrastructure network.

Significant investment has also been allocated to developing and improving logistics linked to the maritime network, by means of projects designed to strengthen Italy's position in the Mediterranean. Some 20% of the world's maritime traffic passes through the Mediterranean and 41 million passengers (20% of the EU total) stop off in Italy. Secondly, the projects being implemented in the national port and logistics systems are designed to promote the role of Italian ports as strategic and efficient hubs for maritime traffic.

The Italian Ministry is also focusing on regional development programmes with a view to extending and redeveloping towns and urban systems. Most of the projects also include financial contributions from the private sector, which have been identified as key tools for boosting Italy's economy, manufacturing sector and employment.

In terms of the energy transition, the latest version of the National Energy Strategy (SEN), drafted in 2018 and submitted to the European Commission in December 2018, is intended to serve as a reference point for energy policies through to 2030. In particular, this Strategy is

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<sup>1</sup> <https://www.tresor.economie.gouv.fr/Articles/2019/01/25/italie-le-projet-de-plan-energie-climat-2030>

based on a transition to a low-carbon economy based on the phasing out of coal by 2025, a sharp reduction in oil consumption and the development of renewables, with gas expected to play a role in providing medium-term stability in the electricity system.

Compared with the SEN, the National Energy-Climate Plan (PNEC) sets slightly more ambitious targets for 2030 in terms of renewable energies (30% of gross energy consumption, as opposed to 28%) and reducing emissions in sectors not covered by the emissions trading scheme (-34.6% compared with the 2005 level, as opposed to -33%).

In terms of greenhouse gas emissions, the target remains unchanged, with the PNEC calling for a 33% reduction by 2030 compared with 2005, a higher target than that set by EU agreements (30%). Specifically, the government has set itself a reduction target of 55.9% for industries covered by the "emissions permit" system, compared with the 43% target set by the EU for Italy and the 57% target set by the SEN.

More specifically, in the transport sector, the plan calls for overall consumption to fall by 9% compared with 2017, with renewable energies accounting for 21.6% (compared with 5.5% in 2017). When it comes to this 21.6% figure, biofuels for cars are set to play the most important role, followed by electric renewables for road and rail transport. By 2030, 1.6 million 100% electric vehicles and 4.4 million hybrid vehicles are expected to be on the road. The PNEC also adopts the SEN's targets in terms of the promotion of gas for road transport: as the leading country in Europe in terms of the number of gas-powered cars (natural and LPG), Italy aims to double the current number of CNG vehicle service stations (up to 2,400 by 2030) and to significantly develop the network for liquefied natural gas vehicles, primarily intended for heavy goods vehicles (800 service stations by 2030).

**Modal split of freight transport in % (based on t-km)**

2021	Road	Rail	Inland waterways
European Union	77.4%	17.0%	5.6%
Italy	87.3%	12.6%	0.1%

Source : Eurostat

Italy's mountainous and peninsular geography makes it difficult and costly to interconnect the various parts of the country.

The country's two main transport corridors run North-South (Milan-Rome-Naples-Reggio di Calabria) and East-West (Trieste-Turin). The Adriatic coastal corridor is an extension of the North-South network, while the Turin-Venice-Bologna triangle boasts the highest levels of road and rail density. 80% of the country is hilly or mountainous, which results in high costs: 70% of European road tunnels over 500 metres are located in Italy and the cost per kilometre of constructing a motorway is 1.5 times higher than in France.

The Alps constitute a natural barrier, making cross-border links essential to prevent the country from becoming isolated.

The future Lyon-Turin rail link will be the most recent in a series of new base tunnels consisting of the Swiss Lötschberg and Gotthard tunnels (opened in 2007 and 2016) and the Italian-Austrian Brenner tunnel, scheduled for completion in 2025. The Mont-Blanc and Fréjus tunnels and the Nice-Ventimiglia motorway provide links with France.

Freight transport between France and Italy takes place mainly by road, with rail accounting for a small share (9%), much lower than the share of freight carried by rail between Italy and Switzerland (66%) or Austria (30%).

The Italian road system covers 26,000 km (all road categories combined), mainly operated by the Azienda nazionale autonoma delle strade (ANAS), the public operator of the national road network.

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<sup>2</sup> "Italy" fact sheet issued by the French Treasury Department, Ministry of the Economy, Finance and Industrial and Digital Sovereignty.

The motorway network operated by the Autostrade per l'Italia (Aspi) group, primarily concentrated in the north, covers 3,400 km, making it the most extensive in Europe.

### Italian motorway network



Italy has a well-developed rail network serving most major cities on the Italian peninsula and in Sicily. The network comprises nearly 17,000 km of track, including approximately 1,000 km of high-speed lines. Nevertheless, there are still disparities in terms of train service between the north and the south.

High-speed rail transport was opened up to competition in 2006 and is considered a success. Italo, the leading private railway company, has been operating in Italy since 2012 and currently commands 35% of the high-speed market, with the remainder going to Trenitalia, the state-owned company.

However, the high-speed network is confined to the North-South route between Turin and Salerno, via Milan, Rome and Naples. The East-West high-speed link between Milan and

Venice has been partially completed. Getting to the south is still difficult: while it is possible to reach Rome in 4 hours or less from the majority of northern cities, journey times from Puglia and Calabria are in excess of 5 hours, and trains are extremely infrequent.

### Italian rail network

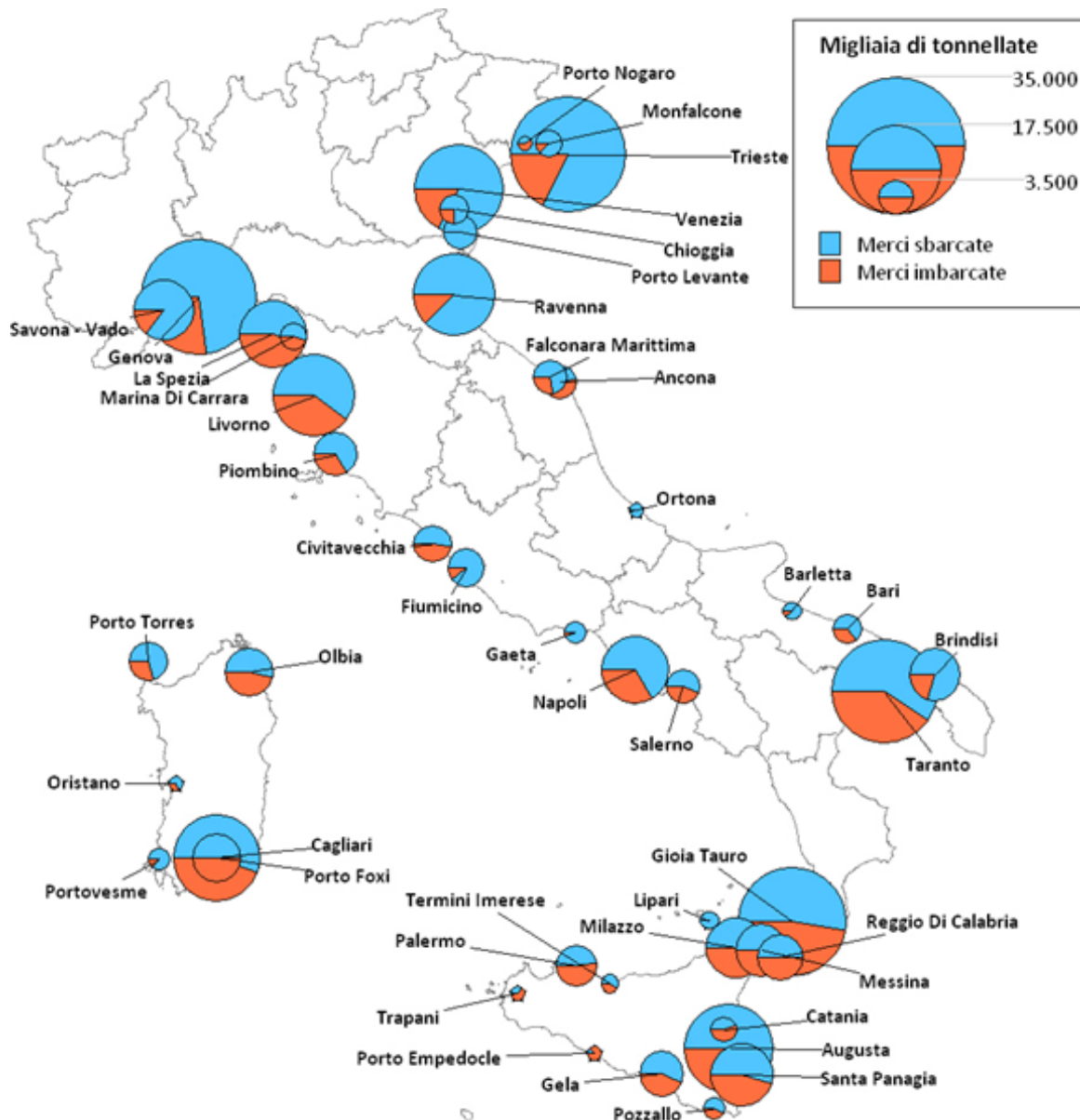


The port system is ideally positioned as the maritime gateway to the heart of Europe from the "New Silk Roads".

Italy ranks 2nd in the European Union in terms of port tonnage, behind the Netherlands (14% of EU maritime freight, compared with 17% for the Netherlands). The port complexes of Venice-Trieste (60 million tonnes/year) and Genoa-Vado Ligure (50 million tonnes/year), the two leading Italian ports in terms of tonnage, are undertaking major projects to increase their capacity through the construction of terminals and logistics hubs.



## Main Italian ports



Air transport plays an essential role in serving areas that are not accessible by land.

In 2019, Italy welcomed 160 million air travellers. 22 Italian airports posted passenger numbers in excess of one million. Rome-Fiumicino was the 9th-busiest European airport, with 43 million travellers, ahead of Milan Malpensa (29 million). While this high number of medium-sized airports can be explained by the presence of a number of major economic and tourist centres in the country, it is also indicative of the lack of suitable ground infrastructure (road and rail), particularly when it comes to serving the south of Italy and the islands. On the other hand, between Rome and Milan, the development of high-speed rail has led to the virtual disappearance of air services. During the Covid pandemic, Italian air traffic decreased by 72.6% in 2020 compared to 2019. Freight traffic was less negatively affected, with a 23.7% drop in 2020.



Due to the country's geography, waterways account for only a small share of freight transport.

### Transport Infrastructures of Italy

	2020
<b>Length of national routes</b>	28,307 km
of which highways	6,978 km
<b>Length of rail network</b>	16,710 km
of which high-speed network	0,963 km
of which electrified	0,950 km
<b>Length of inland natural waterways</b>	0,612 km

Source : Eurostat

## ROAD FREIGHT TRANSPORT OPERATORS

### *Institutional stakeholders*

#### *Ministry of Infrastructure and Transport*

The Ministry of Infrastructure and Transport was recently reorganised into three departments whose responsibilities were set out by the Presidential Decree (D.P.C.M.) of 23 December 2020:

- Department of Strategic Planning, Infrastructure, Network Transport, Information and Statistical Systems
- Sustainable Mobility Department
- Department of Public Works, Housing and Urban Policy, Water Infrastructure and Human and Technical Resources

#### *Department of Strategic Planning, Infrastructure, Network Transport, Information and Statistical Systems*

In light of the lessons learned from the collapse of the Morandi bridge in Genoa in August 2018, the government decided to extend the department's powers in 2020 in order to improve coordination with regard to the management of different modes of transport and infrastructure, and to promote intermodality. The powers as established on 23 December 2020 are as follows:

- Identifying the fundamental routes in the country's transport system, with particular emphasis on infrastructure links within the network, in coordination with the Public Works, Human Resources and Instruments Department;
- Monitoring of international and European network projects;
- Strategic network planning;
- The management of European network programmes;
- National road and motorway network management, planning and project scheduling;
- Preparing and signing motorway agreements and assessing the associated economic and financial plans;
- The inspection of motorway concession operators to verify compliance with contractual obligations;
- Rail transport planning;
- Planning and project scheduling with regard to railway infrastructure and railway interoperability;
- Digital transformation in the transport sector;
- IT security;
- The development and management of information systems, institutional communication and technical-IT consulting at the Ministry's offices;
- Monitoring, processing and checking statistical data;
- Administering the Smart Roads, Connected Vehicles and Autonomous Vehicles Observatory.

### *Professional RFT organisations*

Italian companies belong to trade confederations such as Confindustria and Confcommercio.

Established in 1946, Confetra (Confederazione generale italiana dei trasporti e della logistica) is made up of 14 federations representing the transport and logistics sector and headed by Nereo Marcucci. A member of the IRU, it is the umbrella organisation for commercial haulier federations. It provides assistance to the national federations representing road transport, navigation, warehousing and driving schools in their discussions with authorities and social partners. Confetra is involved in discussions relating to the national collective agreement and in concluding agreements on the main aspects of labour regulations. It carries out and publishes studies and statistics on the transport and logistics sector. It publishes newsletters, economic reports and publishes a bimonthly magazine (Confetra Notizie). It also organises training sessions as well as conferences.

It is also worth noting that various other transport federations belong to other confederations, such as ANITA, which is a member of Confindustria, or the FAI, a member of Confcommercio.

### *Trade union organisations*

Three employee trade unions are signatories to the national collective labour agreement for the logistics and goods transport sector dated 29 January 2005.

- The FILT-CGIL (Federazione Italiana Lavoratori Trasporti) is the transport and logistics branch of the CGIL (Confederazione generale Italiana del Lavoro).
- FIT-CISL (Federazione Italiana Trasporti), which is affiliated with CISL (Confederazione Italiana sindacati di lavoratori).
- UIL TRASPORTI (Unione Italiana dei Lavoratori dei Trasporti), a member of the UIL (Unione italiana del lavoro).

## THE ITALIAN RFT SECTOR IN 2021 – KEY DATA

### Structure of the Italian RFT sector in 2021

**Structure of the Italian RFT sector in 2021**

2021	Goods transported	Tonne-kilometers achieved		Average distance	Vehicle.kilometres achieved
	thousand tonnes	million t.km	%	km	million of vehicle.km
<b>TOTAL</b>	<b>987,085</b>	<b>144,986</b>	<b>100.0%</b>	<b>147</b>	<b>8,728</b>
Domestic transport	958,837	128,547	87.9%	134	7,752
International transport	28,247	16,439	12.1%	582	976
<i>International transport of goods loaded in Italy</i>	14,673	8,485	6.1%	578	515
<i>International transport of goods unloaded in Italy</i>	10,388	6,695	4.4%	644	369
<i>Cross-trade</i>	956	576	1.1%	603	46
<i>Cabotage</i>	2,230	683	0.5%	306	46

Source : Eurostat

Accounting for more than 90% of its total activity, the Italian sector has one of the highest domestic activity rates in Europe. This activity is mainly concentrated in the economically developed area located in the north of the country and involves short distances on average. Only 11% of the sector's activity is international. With an average distance per international journey of 582 km, the countries most visited by Italian hauliers are France and Germany.

### Evolution of the Italian RFT sector

**Evolution of the Italian RFT sector in million tonne-kilometres**

In million t-km	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	AAGR*
<b>TOTAL</b>	<b>142,843</b>	<b>124,015</b>	<b>127,241</b>	<b>117,813</b>	<b>116,820</b>	<b>112,637</b>	<b>119,687</b>	<b>124,915</b>	<b>137,986</b>	<b>133,222</b>	<b>144,986</b>	0.15%
Domestic transport	127,681	111,785	111,975	102,351	104,104	100,282	106,711	111,741	122,491	118,151	128,547	0.07%
International transport	15,161	12,230	15,266	15,462	1,716	12,355	12,976	13,174	15,495	15,071	16,439	0.81%

Source : Eurostat

\*Average annual growth rate

Unlike other sectors in Western Europe, activity in the Italian sector seems to be picking up after a decade of crisis and stagnation. In 2021, the sector returned to its 2011 level of activity and international activity contributed more than domestic business to this recovery.

## Cabotage

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

In million tonne-kilometres	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	AAGR*
<b>Cabotage under German flag</b>	<b>414</b>	<b>360</b>	<b>339</b>	<b>452</b>	<b>407</b>	<b>502</b>	<b>465</b>	<b>597</b>	<b>522</b>	<b>665</b>	<b>683</b>	<b>5.13%</b>
<i>in Germany</i>	167	199	154	190	158	165	224	227	212	317	310	6.38%
<i>in France</i>	132	78	171	204	187	309	224	312	223	276	267	7.30%
<b>Share of cabotage in German transport %</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	-

\*AAGR : average annual growth rate

Source: Eurostat

Representing between 0.3% and 0.5% of total activity, cabotage remains a sideline for the Italian sector. The two countries in which the level of Italian cabotage is the highest are Germany and France, where it is increasing at a rate of almost 7% per year.

Cabotage in Italy

In million tonne-kilometres	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	AAGR*
Cabotage in Italy	1 468	1 301	1 798	1 769	1 917	1 915	2 295	1 770	2 296	2 322	3 018	7.47%
Penetration rate of cabotage*	1.14%	1.15%	1.58%	1.70%	1.81%	1.87%	2.11%	1.56%	1.84%	1.93%	2.29%	7.27%
Market share cabotage**	1.27%	1.27%	1.73%	1.87%	1.98%	2.04%	2.27%	1.67%	1.95%	2.04%	2.42%	6.65%

AAGR : Average annual growth rate

Source : Eurostat

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

\*\*cabotage foreign flag / (domestic transport for hire and reward + cabotage under foreign flag)

Five times more cabotage is carried out on Italian soil than Italian hauliers carry out elsewhere, and this business currently accounts for approximately 2,4% of commercial haulage domestically. The main cabotage providers in Italy are Slovenian and Croatian.

## RFT companies

There survey indicates that there were approximately 58,000 road freight transport companies in Italy, compared to more than 65,000 five years previously. The vast majority of these companies are extremely small, with between 1 and 3 vehicles. Known as *padroncini*, owner-drivers have long been the hallmark of the Italian RFT sector. However, they appear to be the most directly affected by the recent decline in the number of companies.

The increase in expenses, regulatory complexity and the challenges of adapting to technological changes are the main reasons why *padroncini* are struggling to survive as a group. In many cases, they end up becoming employees of the companies that used to subcontract to them previously.

**RFT\* Business Statistics in Italy**  
(Latest available data in 2020)

	2020
Number of enterprises	58,168
Number of persons employed	353,593
Number of employees	289,661
Net sales	47,253,200 k€
<b>Costs</b>	
Total amount of purchased goods and services	32,978,900 k€
of which merchandise for resale	110,100 k€
of which materials, supplies and intermediate goods	465,000 k€
Personnal expenses	10,654,500 k€
of which wages and salaries	7,702,400 k€
of which social security costs	2,952,200 k€
Apparent social security contributions rate	38.3%
Gross operating profit	4,067,000 k€

\* RFT companies as in European Nomenclature NACE Rev2 - Classe H4941

Source : Eurostat

### Vehicle fleet

There is limited data available on RFT vehicles in Italy, the only data being that published by Eurostat, according to which there were approximately 200,000 road tractors in operation in Italy in 2020.

Vehicle statistics in Italy							
		2015	2016	2017	2018	2019	2020
Road tractors	Total	153,858	162,092	173,057	183,732	190,303	195,469
	Less than 2 years	13,794	19,359	25,256	27,039	25,245	21,744
	2 to 5 years	29,470	28,986	29,847	37,212	44,891	53,184
	5 to 10 years	38,149	34,636	31,985	26,694	28,101	27,383
	10 and more	72,445	79,111	85,969	92,787	92,066	93,158
Lorries > 3.5 tonnes	Total	3,348,932	3,431,207	3,502,654	3,556,816	3,613,056	3,705,041
Lorries <= 3.5 tonnes	Total	595,032	587,501	580,694	573,475	565,010	516,677

nd : non disponible

Source : Eurostat

## 1.3. FISCAL AND LABOUR REGULATIONS APPLICABLE TO ROAD FREIGHT TRANSPORT IN ITALY

### TYPES OF COMPANY

Types of companies in Italy and their main characteristics
<b>Partnerships</b>
<b>Limited partnership (Societa in Accomandita Semplice - SAS)</b>
Number of partners and associates: minimum 2 partners, no maximum Minimum and/or maximum capital: no limitation Liability of partners: the partners bear unlimited sole liability.
<b>Partnership (Societa in nome Collettivo - SNC)</b>
Number of partners and associates: minimum 2 partners, no maximum Minimum and/or maximum capital: no limitation Liability of partners: the partners bear unlimited joint liability.
<b>Capital companies</b>
<b>Limited liability company (Societa a responsabilita limitata - SRL)</b>
Number of partners and associates: at least one person Minimum and/or maximum capital: 10,000 € minimum Liability of shareholders: the liability of shareholders is limited to the amount of the contributions
<b>Joint stock company (Societa per azioni - SpA)</b>
Number of partners and associates: no limitations Minimum and/or maximum capital: 50,000 € minimum, of which 25% paid-up Liability of shareholders: the liability of shareholders is limited to the amount of the contributions
<b>Limited partnership (Societa Cooperativa - SC)</b>
Number of partners and associates: minimum 3 partners, no maximum. 9 associates of at least one is corporate Minimum and/or maximum capital: 25€ per partner Liability of shareholders: the liability of partners or associates may be limited or unlimited according to their status in the partnership

Source: BNP Paribas

### ROAD FREIGHT TRANSPORT TAXES

#### *Corporate tax – IRES (Imposta sul Reddito delle Societa)*

Corporations and limited companies, as well as commercial and non-commercial institutions, both public and private, are subject to corporate income tax, as are non-resident companies with respect to profits made in Italy.



Since 2017, the basic IRES tax rate has been 24% for companies in general, and 27.5% for banking and financial institutions. These rates apply to the difference between the taxable income and expenses incurred by a company over a given tax period. According to the tax reform announced by the Meloni government, the IRES rate is set to fall beginning on 1 January 2024, with the "ultimate" goal being to gradually reduce them to 15%, the worldwide minimum rate approved by the G20 in October 2021. However, this reduction would also be accompanied by the elimination of several tax loopholes.

An optional national or international consolidated profit scheme for groups whose parent company is located in Italy was introduced in 2004. This option, which makes it possible to calculate a single taxable income for a group, is binding on the group over several tax years.

Capital gains on the sale of investments are taxable in full, under certain conditions, such as the length of time the investment has been held.

Dividends are taxed at 5% upon distribution to the company.

A combined tax return is filed with the tax office using a UNICO form. Payment is made in advance instalments (1 or 2), the balance being paid at the same time as the tax return for the tax year in question is submitted (i.e. the following year).

#### *Regional tax on productive activity – IRAP (Imposta regionale sulle attività produttive)*

Similar to the French "regional economic contribution", the IRAP is a regional tax that taxes the net value of production. Those subject to the tax include companies, sole traders, public authorities and all business organisations. Since 2022, individuals engaged in commercial, artistic and professional activities have been exempt from this tax.

The rate of the IRAP has been set at 3.9% for companies in general, 4.65% for banks and financial institutions and 5.9% for insurance companies. Deductions are also possible. The amount of this tax may vary from region to region, within a range of +/- 0.92%.

The UNICO form is also used for reporting this tax, and the same rules as for the IRES apply.

#### *VAT (IVA)*

VAT is levied on all goods and services purchased in Italy. There are four rates: 4%, 5%, 10% and 22%, the latter being the standard rate that has been applied to freight transport services, among other things, since 1 November 2013.

The reduced rate of 10% mainly concerns tourism-related items, certain food products, as well as electricity and gas. The 5% rate applies to social, health or educational benefits provided by social cooperatives. The 4% rate is applied to basic foodstuffs, stamps, books and certain agricultural products.

Since the one-stop-shop system came into effect, the formalities and deadlines for recovering VAT, which used to take up to two years, have been drastically reduced and now appear to be within the 4 months (+ 2 months) threshold, beyond which the authorities may be liable to pay fines.

#### *Axle tax (tassa automobilistica)*

The axle tax differs depending on whether the vehicle in question is a road tractor, a rigid truck or a semi-trailer. Vehicles with a GVWR of less than 12 tonnes pay a tax that increases according to their GVWR. Above 12 tonnes, the tax depends on both GVWR and the number of axles. Articulated vehicles pay a tax for the tractor and a haulage tax (integrazione of the massa rimorchiabile) which increases according to the total weight of the vehicle in question. Axle tax rates are set and collected at regional level. However, they may not be less than the minimum rates set at national and European levels. If rates were to be lower, an "adjustment charge" would be added by the tax authorities in order to ensure that rules on minimum rates were complied with.

For example, since June 2023, the tax levied by the Lombardy Region on a 40-tonne, 7-axle class 7 semi-trailer truck with air suspension, equipped with hydraulic suspension, has been 673.98€, plus 585€ (2-axle trailer) or 825€ (3-axle trailer), i.e. a total tax of 1,498.98€/year for a 5-axle articulated lorry.<sup>3</sup>

#### *Motorway tolls*

Italian motorways are operated as tolled concessions. Charges are based on a per kilometre rate that varies according to the type of vehicle (Class A and B) and the number of axles (Class 3, 4 and 5). In addition, different rates are charged in lowland and mountainous areas.

Motorway tolls rose by an average of 2% on 1 January 2023 and will rise by a further 1.34% on 1 July 2023. The increase in motorway tolls is not uniform, with some sections that require major renovation being subject to above-average increases. As at the time of writing of this report, the July 2023 rates have not yet been published.

Rates vary depending on which of the 5 vehicle categories is applicable as well as on the geographical category of the motorway (lowland or mountainous area).

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<sup>3</sup> Lombardy Region – <https://www.regione.lombardia.it/wps/portal/istituzionale/HP/DettaglioRedazionale/servizi-e-informazioni/cittadini/tributi-e-canoni/Bollo-auto/archivio-tariffari-tassa-auto/archivio-tariffari-tassa-auto>

Classi di Veicolo	A	B	3	4	5
Tariffa di pianura €/Km	0,07231	0,07401	0,09862	0,14864	0,17530
Tariffa di montagna €/Km	0,08547	0,08749	0,11414	0,17426	0,20629

Tariffe in vigore dal 1° gennaio 2023 sono comprensive dell'IVA (22%)

Source: Autostrade.it

Class A:

2 axles, height less than or equal to 1.3m at the front axle:



Class B

2 axles, height greater than 1.3m at the front axle:



Class 3

3-axle vehicles:



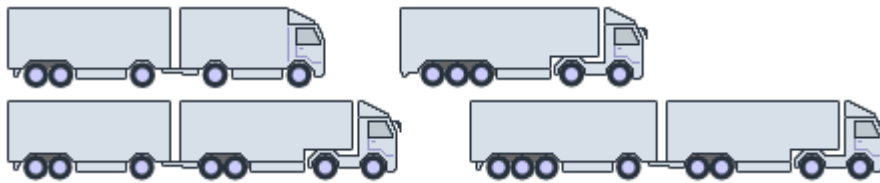
## Class 4

4-axle vehicles:



## Class 5

Vehicles with 5 or more axles:



On certain sections, a flat rate is applied. This is the case, for example, on the A8 Milan-Lakes and A12 Rome<sup>4</sup>-Civitavecchia sections.

### *Rebate on motorway tolls*

The law of 26 February 1999 provides for the partial reimbursement of motorway tolls to any haulier or transport organisation that has paid tolls in excess of 200,000€ in a given financial year.

These rebates are calculated based on the amounts invoiced as well as the Euro class of the vehicles involved. A decision is taken each year by the committee responsible for the scheme. Rebate rates and conditions are set by the State in accordance with the budget appropriation earmarked for this purpose. Rebates to companies range from 2% to 13%. Additional rebates of approximately 10% are available for journeys made at night. Based on information provided by hauliers, on average they receive rebates of approximately 8%.

Many Italian or European carriers do not carry sufficient volumes of freight to benefit from the maximum levels of rebate available. As a result, they have formed a consortium (Conzortio) in order to pool their volumes.

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<sup>4</sup> Decision 5 of 22 June 2017

All requests for rebates must be addressed to the Albo degli trasportatori.

#### *Excise duty on commercial diesel fuel*

At the beginning of 2023, excise duty on ULSD 10 ppm diesel fuel was 61.74€/hl. Vehicles with a weight equal to or greater than 7.5 tonnes are entitled to a refund of 21.418€/hl from the customs authorities. This amount is subject to review on a quarterly basis. Refund calculations and applications must be made online using a software application that is provided to carriers. Refunds are made by means of offset credits. In the event of a credit balance on 31 December of a given year, the amount in question must be reimbursed by 30 June of the following year at the latest.<sup>5</sup>

The net rate of excise duties on commercial diesel is therefore 40.32€/hl.

#### *National health contributions (Servizio Sanitario Nazionale)*

The Italian health service is administered by the regions and partly financed by levies on companies (IRAP and IRPEF). However, it is possible to recover a portion of these levies on vehicles weighing 11.5 tonnes or more and belonging to category Euro 2 or above (maximum refund of 300€ per vehicle). The refund procedure is the same as for excise duties on diesel.

### LABOUR REGULATIONS APPLICABLE TO ROAD FREIGHT TRANSPORT

#### *Overview*

There are three levels of legislation that specify the regulatory requirements for different business sectors. Namely:

- National legislation (EU texts that have been incorporated into Italian law)
- Collective agreements
- Company agreements (known as second-level agreements).

The collective agreement (CCNL – Contratto Collettivo Nazionale di Lavoro) in the freight transport and logistics sector currently in force dates back to 2013; it was extended on 18 May 2021 for the period from 15 June 2021 to 31 March 2024.

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<sup>5</sup> Customs administration:

<https://www.adm.gov.it/portale/documents/20182/122537037/7+Informativa.pdf/fac1b346-3788-87b8-7528-c3a24f40c07e?t=1687788180030>

Under the current collective agreement, the HGV driver is a worker with an "advanced level 3" qualification.

The 2021 negotiations provide for a cumulative pay increase of 90€/month according to the following schedule:

- 15€/month from October 2021
- 25€/month from October 2022
- 20€/month from October 2023
- 25€/month from March 2024

In contractual terms, the collective agreement does not provide for the use of temporary or temporary fixed-term contracts. Permanent contracts are the norm. No company may have more than 35% of its employees on fixed-term contracts, except in the case of part-time fixed-term contracts, where the proportion may not exceed 48%.

### *Working hours*

For travelling personnel, a full working week is set at 39 hours. Average working hours can be as high as 48 hours. A 60-hour week is allowed if it is offset within six months so as to achieve an average of 48 hours. Actual working time includes:

- Driving time
- Waiting times involved in loading/unloading operations whose duration is unknown in advance
- Time required for normal and special cargo handling operations
- Administrative tasks carried out by the driver
- Time spent on activities to maintain the truck's operability (filling up with diesel, washing)
- Waiting time involved in the performance of the driver's duties (tolls, borders)

It does not include:

- Time spent travelling using other means of transport for work purposes (ferries, trains)
- Time spent in the cab waiting for their turn to drive (double crew)
- Breaks during which the driver is free to use his/her time as he/she wishes and free to leave the vehicle unattended (meal times and statutory rest periods).

### Availability time

According to Article 3(1)(b) of Legislative Decree 234/07, availability time means periods that are neither breaks nor rest time, during which the travelling worker, even if he or she is not obliged to remain at his or her place of work, must remain available in case his/her employer calls.

Such periods form part of the working hours and must therefore be paid, unless the employer informs the driver in advance, at the time of departure, of the likely duration of the waiting times required for loading and unloading and of the availability time involved. If this provision is complied with, or if provisions contained in the company union agreements so specify, these periods of availability will not have to be paid because they would then not be part of the driver's working hours.

### Breaks and rest

Rest hours are not paid, but drivers receive travel allowances for rest breaks taken away from the company's head office.

### Other provisions

#### Night work, Sunday work and public holidays

Night work is any time worked between 10 p.m. and 6 a.m. An allowance of 0.93€ per hour is added to the driver's pay for such work. No additional bonuses are paid to travelling personnel for night work.

### Overtime

Overtime may not exceed 2 hours per day and 12 hours per week, and may not exceed 36 hours in any nine consecutive week period. Overtime may not exceed 250 hours in the course of one year. Beginning with the 165th hour of overtime, employees may request that any excess hours be credited to a flexitime account, enabling them to take time off in lieu of overtime.

#### Overtime pay:

- Daytime overtime rate: + 30%
- Saturday overtime rate: + 50%
- Public holiday overtime rate: + 65%
- Sunday work: + 20% + compensatory time off

### Paid leave

The annual leave provided for in the collective agreement is 22 working days compared with the standard statutory entitlement of 20 days.

## Pay rates

According to the findings of the CNR, the minimum basic gross salary under the collective agreement was 1,765.37€/month at 1 October 2021, with increases scheduled (see above) for future years.<sup>6</sup>

However, this basic salary is supplemented by a number of additional payments:

- Standard additional payments:
  - o Seniority: An increase of 24.79€/month in the basic salary for every two years of service with the same company, up to a maximum of 5 increases per employee, i.e. 10 years of service
  - o 13<sup>th</sup>- and 14<sup>th</sup>-month payments
  - o Termination benefits
  - o EDR (Elemento Distinto della retribuzione) pay supplement – 10€/month over 13 months
  - o Personal bonuses, resulting from an agreement between the company and the employee, which are added to the employee's gross salary
- Individual pay items:
  - o The portion of the salary above the minimum wage set by the collective agreement
  - o Bonuses
- Pay items linked to workload
  - o Overtime
  - o Inconvenience allowances (disagio) for night work
  - o Time off in lieu of public holidays (ferie R.O.L) or pay for public holidays
  - o Travel allowances

### *Travel allowances (Indennità di trasferta)<sup>7</sup>*

Travel allowance rates were set out in the agreement of 1 September 2007 and have not been updated since. Minimum travel allowance rates:

#### 1 – Domestic assignments

- Trips of between 6 and 12 hours: 20.60€
- Trips of between 12 and 18 hours: 31.82€
- Trips of between 18 and 24 hours: 39.96€

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<sup>6</sup> [https://www.fedespedi.it/wp-content/uploads/2021/06/CCNL\\_testo-completo.pdf](https://www.fedespedi.it/wp-content/uploads/2021/06/CCNL_testo-completo.pdf)

<sup>7</sup> <https://www.rrif.hr/clanakfull-20761/>



## 2 – International assignments

- Trips of between 6 and 12 hours: 28.78€
- Trips of between 12 and 18 hours: 41.85€
- Trips of between 18 and 24 hours: 59.29€

Companies may grant allowances in excess of the agreed minimums, but as they are not subject to levies or taxes, they are capped as follows: 46.48€/day for domestic assignments and 77.47€ for international assignments.

### *Social security contributions*

#### Social contributions in Italy

Social contributions applicable to driving staff in 2021 and 2022	Employer	Employee
INPS - Health - Maternity	2.68%	0.0%
INPS - Invalidity - old-age	23.81%	9.2%
INPS - Unemployment	1.61%	0.0%
INPS - Family benefits	0.68%	0.0%
Accidents at work	9.52%	0.0%
Solidarity contribution	0.6%	0.3%
<b>Total</b>	<b>38.90%</b>	<b>9.49%</b>

Source: Cleiss

Depending on the status of the worker, the INPE illness contribution (2.22%) may be waived.

Most fixed-term contracts are subject to an additional contribution of 1.40% (increased by 0.5% per year if the fixed-term contract is renewed). Under fixed-term contracts, the employee is responsible for paying family benefits contributions.

The workplace accident and occupational health contribution (premio assicurativo) varies according to the risks associated with the professional sector to which the company belongs. It is paid by the employer. The rate indicated above is for the logistics sector – RFT.

In Italy, the termination of an employment contract results in the payment of severance benefits (trattamento di fine rapporto, TFR), a sum that is set aside each year for the duration of the employee's service. This is treated as a salary item. On the other hand, companies that have opted to administer the TFR privately must contribute to an INPS guarantee fund, which provides cover in the event that the employer should become insolvent. The guarantee fund involves the employer paying an additional contribution of 0.20%.

### Personal income tax – IRPEF (*Imposta sul reddito delle persone fisiche*)

The IRPEF is levied on income earned in the course of the previous year. It is assessed by means of a tax return (paper or electronic) submitted by taxpayers. The taxable income of employees is their net income (after deduction of social security and welfare contributions).

Income tax for a single person in Italy

Tax bracket	Taxable income	Income 2022	Income 2021
Tax bracket I	0 à 8 174 €	0.00%	0.00%
Tax bracket II	8 174 € à 15 000 €	23.00%	23.00%
Tax bracket III	15 001 € à 28 000 €	25.00%	27.00%
Tax bracket IV	28 001 € à 50 000 €	35.00%	38% until 55,000€
Tax bracket V	50 001 € et plus	43.00%	41% until 75,000€, 43% afterwards

Source: Agenzia delle entrate

Regions are free to increase or decrease the regional portion of the IRPEF by up to 3.3%.

Linked to the IRPEF until 2022, the IMU (*Imposto Municipale propria*) was a property tax. The 2020 Italian Finance Act (art. 95) merged the former property tax IMP (*Imposta Municipale Propria*) and the tax on municipal services TASI (*Tributo Servizi Indivisibili*) to create a new tax IMU (*Imposta Municipale Unica*).

The new IMU has been turned into a tax on second homes. As under the old system, with the exception of luxury properties listed in categories A1, A8 or A9 of the land registry, this does not apply to primary residences and will thus not be factored into the calculation of driver costs.

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

This part of the study describes the economic and social conditions prevailing at the end of 2021, at the time this updated study was conducted. In carrying out this study, the CNR has drawn on research focused primarily on the fiscal and social aspects of the RFT sector, as well as on previous CNR studies of the country and feedback from the experts with whom the CNR collaborates. These different sources provide an overview of the Italian RFT sector internationally and highlight the main developments observed since the last study. This research and process of dialogue are further backed up by interviews with Italian hauliers and lorry drivers.

All the figures eventually adopted by the CNR in order to construct the typical 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 15 Italian road freight transport companies involved in long-distance transport operations, mainly internationally. Among the companies visited, all were able to provide the information requested. Thus, the 15 companies selected for this study have the following characteristics:

	Number of tractors	Number of semi-trailers	Main markets	Number of drivers	Turnover
Company 1	6	6	FR,UK, DE	6	6,000,000 €
Company 2	26	35	IT, DE, FR, AT, PL, RO, GB	25	20,000,000 €
Company 3	15	19	FR,DE	15	4,000,000 €
Company 4	13	15	DE, FR	10	6,000,000 €
Company 5	310	350	UE	447	357,000,000 €
Company 6	3	3	FR, UK, BE, DE	3	1,003,000 €
Company 7	70	80	FR, DE	67	29,260,000 €
Company 8	4	4	FR, DE	4	1,000,000 €
Company 9	12	15	IT, DE, FR, AT	10	3,920,000 €
Company 10	6	7	IT, DE FR, CH	10	1,200,000 €
Company 11	8	6	FR, UK, DE	6	1,220,000 €
Company 12	42	53	UE - Ouest	28	9,546,000 €
Company 13	211	220	FR, DE, ES, PT	211	127,332,000 €
Company 14	446	497	FR, DE, UK	460	
Company 15	8	11	IT, DE, FR, CH	8	1,350,000 €

The companies visited for this study are extremely diverse in terms of their size and structure. They are all specialised in international RFT, and most are subcontractors or subsidiaries of large Italian companies. Small companies are often subcontracted by companies who are themselves subcontractors of locally- or regionally-based companies.

To enable a comparison with the data from other international CNR studies, only companies whose main activity is international long-distance freight transport have been selected.

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 “typical” HGV operating internationally.

#### TRANSPORT EQUIPMENT – Use

The number of days vehicles are operated in Italy varies between 222 and 240 days with a clustering around 232 days per year, a sharp decrease compared to 2017 when the number of operating days was estimated at 245 days.

The average annual mileage travelled by the vehicles operated by the hauliers we met with is between 108,300 km and 142,000 km. According to its calculations (which are consistent with driver mileage) and based on expert opinion, CNR has arrived at an estimated mileage figure of approximately 132,000 km per year per vehicle, which is practically unchanged since the last study (133,500 km). The fact that mileage has remained stable, combined with a fall in the number of operating days, suggests an increase in the number of hours driven per day and an increase in the distance travelled per day.

The length of time vehicles are kept has fallen to just over 6 years, compared with 7 years in 2017. A large number of Italian companies have already adopted a strategy of continually renewing their fleets by means of attractive long-term leasing contracts, often with no purchase option. This would allow them to renew their fleet of tractor units every 3 to 5 years. However, small businesses keep their vehicles for longer, up to 10 years in some cases. The oldest vehicles are often used on domestic journeys. In Italy, very few companies use second-hand vehicles, especially when it comes to international transport.

Thus, to facilitate comparison with other countries, CNR has opted for an average estimated ownership period for road tractors of 6 years, i.e. 4 years of leasing and a further 2 years of full ownership.

In the case of semi-trailers, hauliers keep them for a period of approximately 8 to 9 years.

The semi-trailer/tractor ratio reported in the course of company surveys is 1.12, up from the figure of 1.08 reported in the previous study.

#### TRANSPORT EQUIPMENT – Financing

The most widespread form of vehicle financing in Italy is 48-month leasing contracts with an initial payment of approximately 10% of the vehicle price and a purchase option at the end of the contract for 10% of the new vehicle price.

The average purchase price of a Euro VI tractor based on interviews with Italian hauliers is 98,000€, an increase of approximately 10% compared to the average price recorded in 2017. As with most comparable European sectors, Italian hauliers are suffering from the shortage of available vehicles and, at the time this study was carried out, they reported being obliged to

purchase the models available in stock without being able to negotiate the price. The rising cost of new vehicles is prompting some small Italian hauliers to turn to the second-hand market to buy relatively new road tractors for their domestic haulage needs. Meanwhile, those with the financial means to do so are opting to purchase the HGVs they need in cash, often abroad.

The purchase price of a semi-trailer is estimated at 27,000€, compared with approximately 25,000€ in 2017. These are usually purchased using 60-month leasing contracts, with an option to purchase.

The interest rates on the leasing market range from 2.0% to 2.2%.

## FUEL

The average unit cost of fuel at the pump in 2021 (for the Italian RFT sector) was 1.2181€ per litre according to official figures published in the European Commission's Oil Bulletin. After taking into account the partial refund of excise duties in Italy, the CNR estimates the average price of fuel at the pump in 2021 to be 1.0039€.

Italian companies source most (70%) of their fuel within the country, which includes both bulk purchases (60% of the total, at a discount of 6 euro cents) and fuel purchased at petrol stations (10%). As for the remainder, they purchase fuel in Germany, Luxembourg and France – 10% in each country.

Fuel consumption is monitored very closely by hauliers, who use it as the main means of achieving their narrow operating margin. Average consumption is estimated at 31.2 l/100 km and highly dependent on where the company is based in Italy, as well as the countries visited.

Based on the fuel shopping basket calculated by the CNR (using information provided by companies), the price of a litre of fuel in 2021 was 0.9878€.

## MAINTENANCE & REPAIRS

The cost of maintenance and repairs in the Italian sector is difficult to calculate due to the widely varying costs and approaches reported by the companies surveyed.

Regardless of their size, most companies carry out servicing and maintenance in their in-house garages. The cost of servicing and maintenance is estimated to range between 4,200€ and 6,750€, with a clustering around 5,100€. The cost varies greatly depending on the age of the vehicle, its make and whether it is serviced in-house or externally. However, for small companies with no in-house garage, the cost of servicing and maintenance can in some cases run to more than 9,000€.

In the case of the typical company profile selected, the CNR estimates the annual cost of maintenance and repairs to be around 5,850€. This figure, which is 10% lower than in 2017,

can be explained by the fact that vehicles are being replaced more frequently, and is also linked to the types of company visited in the course of the 2021 study.

## TYRES

The annual cost of tyres ranges widely, from 3,200€ to 4,100€. This cost item varies greatly depending on the method use for purchasing vehicles (with or without a tyre contract), on mileage as well as on tyre changing and/or retreading policies.

Based on information obtained directly from hauliers, CNR has calculated an average figure of approximately 3,420€ per year per semi-trailer truck, down slightly from 2017. According to experts, this average cost would seem to be consistent with current market realities, the intensity with which vehicles are used and the price of the equipment, which is relatively homogeneous across the European market.

Tyre contracts offered by the major tyre brands at a cost per kilometre of between 5 and 7 euro cents have not yet gained a foothold on the Italian market.

## TOLLS

The country's geographical make-up and natural borders mean that there are a large number of pieces of infrastructure that are subject to tolls (viaducts, tunnels), which means that toll costs for Italian international transport companies are extremely high. Their toll budget sometimes exceeds 22,000€/year per semi-trailer truck. The average cost of tolls in the companies visited is estimated at 18,000€/year/vehicle, representing an average cost per kilometre of approximately 0.136€, which is on a par with the European average.

More specifically, the annual cost of tolls ranged from 14,840€ to over 26,380€.

In terms of the typical company profile used, this cost item is estimated at 18,000€ for a 40-tonne semi-trailer truck covering approximately 132,000 km per year (90% of which on motorways and toll roads). Slightly higher compared to 2017, this estimate does not include the cost of the Eurovignette, which is not usually purchased by Italian hauliers.

## INSURANCE

The cost of insurance (vehicle + goods transported) is 2,800€/year for comprehensive insurance and between 1,200€/year and 2,300€/year for third-party insurance. Comprehensive insurance is calculated based on the market value of the vehicle at the time the premium is set. A fixed premium of around 20€ is charged per 1,000€ of the vehicle's market value.

For example, a vehicle worth 50,000€ with comprehensive cover would pay a basic "third-party" premium of 2,100€/year plus 1,000€ for comprehensive cover, i.e. 3,100€/year.

For a semi-trailer, insurance costs somewhere between 410€ to 560€. In total, the insurance for a semi-trailer truck is estimated at 3,850€ per year.

#### AXLE TAX

As explained above, Italian axle tax varies greatly depending on the specifications of the vehicle and the administrative region in which the company is based. In order to simplify matters, CNR has used the axle tax in the Lombardy region where most of the company interviews took place.

Thus, at the time the study was carried out, the total tax levied by the Lombardy region for an articulated 40-tonne class 7 semi-trailer truck with hydraulic suspension was 1,509€/year.

#### FIXED COSTS

Based on data collected from Italian companies, the CNR estimates this cost item at 12% of the total cost.

## 2.2. EMPLOYMENT CONDITIONS AND DRIVER EMPLOYMENT COSTS

Employment conditions and driver pay in Italy 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 in Italy. During this second phase, around twenty drivers, employees with Italian 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 typical profile (in terms of employment conditions and pay) of an RFT driver with an Italian contract working internationally.

#### EMPLOYMENT CONDITIONS

Almost half of the drivers interviewed in this study were non-Italian nationals. It is important to remember that the nationality of the driver has very little impact on the cost analysis, given that the labour regulations apply to all drivers working under Italian employment contracts. The main difference concerns the calculation of seniority bonuses, since Italian drivers have an average seniority of more than 10 years, while those of other nationalities report an average seniority of 3 years.

As far as journeys are concerned, foreign drivers seem to accept medium- and long-distance journeys more readily (spending approximately 15 nights a month away from Italy), whereas Italians tend to return to base more often following short-distance cross-border assignments.

In order to recruit foreign drivers, Italian companies often make use of their international network. For example, the foreign subsidiaries of Italian hauliers often provide drivers to the

parent company when needed. For the purposes of the survey, it was essential to distinguish between drivers working for foreign subsidiaries of Italian companies and those working under Italian contracts.

2 drivers reported that they were self-employed. As for the remainder, permanent contracts are the norm. New drivers are sometimes hired on fixed-term contracts, which rarely exceed 2 months.

Italian drivers are entitled to a minimum of 4 weeks of paid leave; in most of the cases we encountered, drivers had 5 weeks of leave. The driver's length of service in the company is the single most important factor affecting the amount of paid holidays he or she receives. As in other countries, companies offer extra days of paid leave to retain their drivers. Most drivers report using at least 3 weeks of paid leave during the year. A minority say they get paid for unused leave days, which is permitted in Italy. Most leave is taken in the summer (two to three weeks during July and August) and the remainder (approximately 7-10 days) during the Christmas and New Year period.

According to information obtained during interviews with drivers, they work approximately 226 days per year (i.e. 45 weeks of the year) and drive approximately 132,000 km per year. According to the companies, the number of worked days is closer to 220 days and the annual mileage figure is 110,000 km. In terms of the typical company profile used in this study, and based on expert opinion, the CNR has arrived at the following driver figures: 119,000 km driven and 221 working days per year.

In most cases, the typical schedule of an Italian driver working internationally is often made up of domestic journeys supplemented by short and medium-distance journeys abroad. They almost always return to base at the weekend. The average number of nights spent outside the country, regardless of nationality, is approximately 14 nights per month.

Italian payslips do not provide any more detailed information about working hours. The annual driving time figure for a typical driver as determined by the CNR is 1,860 hours, similar to the figure obtained in 2017.

Based on interviews with companies, the driver/tractor ratio is 1.11.

#### NOTE ON DRIVING PERSONNEL COST FORMATION

##### *International driver pay*

Pay for Italian drivers is determined by the legally binding collective agreement, which is updated regularly. This 160-page agreement specifies in detail the various components of drivers' pay.

Under the collective agreement, the HGV driver is a worker with an "advanced level 3" qualification.



According to the findings of the CNR, the minimum basic gross salary under the collective agreement, from 1 October 2021 to 30 September 2022, including seniority bonuses (average of 6 years' seniority), was 1,839.74€ per month paid over 14 months.

However, this basic salary is supplemented by a number of additional payments. Drivers costs in Italy can thus be broken down into ten components:

- The minimum wage set by the collective agreement
- EDR (Elemento Distinto della retribuzione) pay supplements
- Personal bonuses, resulting from an agreement between the company and the employee, which are added to the employee's gross salary
- Overtime
- Inconvenience allowances (disagio)
- Time off in lieu of public holidays (ferie R.O.L.) or pay for public holidays
- 13<sup>th</sup>- and 14<sup>th</sup>-month payments
- Termination benefits
- Travel allowances
- Social security contributions, employee and employer

#### *13<sup>th</sup>- and 14<sup>th</sup>-month payments*

These two payments consist of the gross salary plus seniority bonus, i.e. 1,839.74€ each. They are paid in June and December.

#### *Overtime*

The maximum overtime quota is 250 hours per year. In the case of all overtime hours worked in excess of 165 and up to 250 hours per year, the employee has the choice of being paid for them or putting them in a special flexitime account, with the right to recoup them in the form of time off. This provision makes the actual calculation of overtime a little more complex because the CNR cannot verify the number of hours set aside in these accounts.

Based on the interviews conducted, a figure of 24 hours of overtime per month has been determined. This also matches the pay slips we collected. Overtime is paid at a premium of 30% over the basic hourly rate, in this case 14.94€ gross per hour.

#### *Time off in lieu of public holidays (R.O.L.) or other forms of compensation*

For the sake of simplicity, public holidays and leave will be deemed to have been taken in full by employees. The R.O.L. will be taken into account because it is a form of compensation resulting from agreements between the social partners which led to the elimination of two public holidays, reducing them from 13 days to 11. This compensation amounts to 4 hours' pay with a 30% premium, i.e. 59.76€ per month.

Other payments provided for under the agreement (EDRs) are added to this amount, totalling 133.63€ per month for a typical driver. These items are now listed under the heading "payments" on pay slips, without much detail on how they are calculated.

*Inconvenience allowances (disagio)*

These amount to a payment of 0.93€ per hour of work between 10 p.m. and 6 p.m. For the purpose of calculating typical driver costs, 10 hours of such night work per month, or 9.30€ per month, will be factored in.

In addition, the employer may impose different working hours than those set out in the employment contract, in return for which the employee is entitled to discomfort allowances capped at 50€ per week for a period of 4 weeks, with the employer being subject to a 0.5% surcharge. The employer may apply this arrangement for up to 4 weeks a year.


## TYPICAL PROFILE OF A DRIVER WITH AN ITALIAN CONTRACT WORKING INTERNATIONALLY AND BREAKDOWN OF THEIR COST

Standard profile of an international driver - Italy - 2021					
Characteristics		- Standard profile valid from 1st of October 2021 until 30 September 2022 - Driver working half of his time on international routes, particularly in neighboring countries - Low frequency of international long trips, 3 nights per week spent elsewhere in Europe. In total, 6 nights in Italy and 12 nights abroad in an effective month of work. - 25 days of paid holidays, all taken during the working year - Remuneration made up of a fixed basic salary, slightly over the collective contract minima, completed by collective contract premia and low travel allowances representing though the real travels abroad. - Seniority of 6 years			
Annual mileage achieved		119 000 km			
Number of actual working days per year		222			
Number of working weeks per year		44			
Number of driving hours per year		1,860			
Cost breakdown of a standard Italian international driver in 2021					
Presentation of a standard pay slip					
EMPLOYER			EMPLOYEE		
<b>Gross Salary</b>	€/month	<b>2,599.35 €</b>	<b>Salaire Brut</b>	€/month	<b>2,599.35 €</b>
Fixed gross salary	€/month	1,875.00 €	Fixed gross salary	€/month	1,875.00 €
13th salary - on monthly basis	€/month	156.25 €	13th salary - on monthly basis	€/month	156.25 €
14th salary - on monthly basis	€/month	156.25 €	14th salary - on monthly basis	€/month	156.25 €
Overtime hours +30 % (18h/month)	€/month	268.92 €	Overtime hours +30 % (18h/month)	€/month	268.92 €
Other collective contract based remuneration	€/month	133.63 €	Other collective contract based remuneration	€/month	133.63 €
Discomfort compensation (10h/month)	€/month	9.30 €	Discomfort compensation (10h/month)	€/month	9.30 €
<b>Social contributions</b>	<b>38.90%</b>	<b>1,011.15 €</b>	<b>Social contributions</b>	<b>9.49%</b>	<b>246.68 €</b>
INPS - Health - Maternity	2.68%	69.66 €	INPS - Health - Maternity	0.00%	0.00 €
INPS - Invalidity - old-age	23.81%	618.91 €	INPS - Invalidity - old-age	9.19%	238.88 €
INPS - Unemployment	1.61%	41.85 €	INPS - Unemployment	0.00%	0.00 €
INPS - Family benefits	0.68%	17.68 €	INPS - Family benefits	0.00%	0.00 €
Accidents at work	9.52%	247.46 €	Accidents at work	0.00%	0.00 €
Solidarity contribution	0.60%	15.60 €	Solidarity contribution	0.30%	7.80 €
			<b>Salary after payment of social contributions</b>		<b>2,352.67 €</b>
			Income tax after deductions		334.95 €
<b>Monthly salary after payment of contributions</b>		<b>3,610.50 €</b>	<b>Net salary after payment of social contributions and income tax</b>		<b>2,017.72 €</b>
Severance benefits (TFR) - gross amount with social contributions		205.54 €	Severance benefits (TFR) - net		179.55 €
Travel allowance of a month of full service (10.15 months in a year)		1,128.00 €	Travel allowance of a month of full service (10.15 months in a year)		1,128.00 €
<b>Monthly cost of a driver for a month of full activity</b>		<b>4,944.04 €</b>	<b>Net income of a driver for a month of full activity</b>		<b>3,145.72 €</b>
Breakdown of annual cost of a standard Italian driver in 2021					
Fixed gross salary + bonuses * 12 months		31,192.20 €	Fixed gross salary + bonuses * 12 months		31,192.20 €
Employer's social contributions * 12 months		12,133.77 €	Cotisations sociales et impôt * 12 mois		6,978.54 €
Salary cost after payment of contributions * 12 months		2,466.49 €	Salary cost after payment of contributions * 12 months		2,154.57 €
Travel allowances * 10.15 months		11,453.54 €	Travel allowances * 10.15 months		11,453.54 €
<b>Total annual cost</b>		<b>57,246.00 €</b>	<b>Annual net income</b>		<b>37,820.77 €</b>
<b>Cost of one hour of driving in €</b>		<b>30.78 €</b>	<b>Average monthly net income</b>		<b>3,151.73 €</b>
<b>Cost per kilometre in €</b>		<b>0.48 €</b>			

Source : CNR European studies

Since the 2017 study on the Italian RFT sector, the base salary and collectively agreed bonuses for a typical driver have risen by 3.5%, while annual mileage has fallen by 5.5%. At the same time, travel allowances increased by 6% despite a decrease in international activity. Thus, driver cost as calculated by the CNR is 4% higher than it was in 2017. Overall, the cost of an hour of driving increased from 29.76€ in 2017 to 30.78€ in 2021 and the cost per kilometre rose from 0.44€ to 0.48€ (+9 %).

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

Operating conditions and costs for a 40-tonne HGV operated on long distance international routes, 2021 values 		
	unit	Italy <i>Simulation</i>
Yearly mileage of a vehicle	km	132,000
Number of operating days	days/year	230
Semitrailer/tractor ratio		1.12
Cost of one driver	€/year	57,246
Driver/tractor ratio		1.110
Yearly cost of vehicle financing and possession	€/year	16,851
Average consumption per 100 km	litres	29,0
unit fuel price, 2021 average	€/litre	0.9878
Yearly fuel cost	€/year	40,746
Maintenance-repair	€/year	5,850
Tyres	€/year	3,420
Tolls and vignettes	€/year	18,000
Insurance (vehicle)	€/year	3,850
Axle tax and other vehicle taxes	€/year	1,509
<b>Synthesis - cost price (excluding overhead costs)</b>	€/year	<b>153,779</b>
Cost/mileage ratio per annum	€/km	1.165
Overhead costs	€/year	20,970
<b>Synthesis - complete cost price</b>	€/year	<b>174,749</b>
Complete cost per kilometer	€/km	1.32

Source : CNR European studies

According to CNR calculations, the cost per kilometre of an Italian 40-tonne heavy goods vehicle used for international long-distance transport, excluding fixed costs, is 1.165€ (as opposed to 1.12€ in 2017), an increase of 4% compared with the previous study. This increase was largely due to an increase in the cost of drivers and vehicle ownership (+8.5%). The drop in fuel consumption is significant, but the potential economies have been eroded by the rise in the price of diesel. Vehicle mileage decreased by -2.6%.

In conclusion, when fixed costs (estimated at approximately 12% of total costs) are factored in, the overall per-kilometre cost rose to 1.32€ in 2021.

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