

Freight Transport, Distribution and Logistics sector will need up to 15,500 extra skilled workers to 2020, says Expert Group on Future Skills Needs.

18th February 2015

The Freight Transport, Distribution and Logistics (FTDL) sector is of strategic and operational importance for business within Ireland across all sectors of the economy. The key aim of this report is to ensure the sector will have the quality and quantity of skills to meet the skills challenges and opportunities identified up to 2020.

There are an estimated 48,800 persons employed in core FTDL occupations in 2015. These roles are spread across a range of sectors within the economy including transportation and storage, manufacturing and retail and wholesale trade. The forecasts in this report anticipate that, due to expansion and replacement demand for those employed in these occupations some 13,500 to 15,500 job vacancies could become available up to 2020. Several priority recommendations are outlined in the report to ensure that Ireland has the right skills base to facilitate international trade and domestic freight transportation and drive growth within the wider economy.

There is demand within the sector for more graduate level entrants to ensure a provision of managers, planners and associated office workers with adequate skills. The use of sophisticated warehouse management systems is increasing the requirement for skilled staff. Warehouse roles in demand include warehouse managers, fork lift operators, order pickers, and warehouse operatives. In terms of recruitment, the main skills impediment anticipated is for HGV drivers with the required licence.

Welcoming the launch of the report, the Minister for Skills, Research and Innovation Damien English T.D said: “The open nature of the Irish economy with high levels of trade combined with our geographical peripheral location means that achieving excellence in freight transport, distribution and logistics is vital for our competitiveness. I welcome the report which was a key deliverable under the Action Plan for Jobs, the report highlights the positive outlook for the future of the sector and shows that there is significant employment growth

expected. I also welcome that the report identifies the potential for warehousing and storage apprenticeship programmes.”

Chairperson of the EGFSN, Una Halligan said “Within firms, skills need to be nurtured and developed through improved provision of training and the support of lifelong learning. There is a need for the development of structured career paths especially for lower skilled workers. While at present, employers perceive few recruitment difficulties, except for HGV drivers, this is likely to change due to increasing skills demand arising over the next five years. In order to meet this demand, the poor image of the FTDL sector needs to improve.”

The full report, *addressing the Demand for skills in the Freight Transport, Distribution and Logistics sector in Ireland 2015-2020*, and its recommendations are available on the Expert Group on Future Skills Needs website www.skillsireland.ie

Background Notes

The typology of companies covered in the research includes:

- Third Party Logistics Providers - many companies who move goods internationally outsource some or all of the management of their logistics services to such providers;
- Internationally orientated road freight transport companies;
- Large Irish food companies who undertake their own international logistics in order to ensure the security and consistency of their supply chain;
- Large domestic Retail Groups undertaking their own logistics and warehousing activities;
- Operators engaged in intermodality and co-modality logistics activities – such hub cargo handling activities facilitate the timely and efficient outward and inward freight movement;
- Consultancy firms which provide logistics services as a major part of their business activity;
- Public Bodies providing a service related to ensuring efficient international trade logistics.

Means of Transporting Freight in Ireland

Road freight is the most common means of transporting freight in Ireland. Enterprises that are focused on business activities such as food companies and multiple retailers often have their own in-house road freight operation in order to ensure a consistency of supply to their customers.

Air Freight accounts for 1% of freight tonnage by volume but 35% of the value of all freight into and out of Ireland – mainly high value foodstuffs, pharmaceutical, medical devices and IT components.

Dublin is Ireland’s most important port for both exports and imports. In 2012, 42% of all merchandise moved by sea was handled by Dublin, 21% by Shannon Foynes and 18% by Cork.

Rail freight is responsible for 1% of all freight goods transported in Ireland. Although rail freight has been in decline there are plans to encourage greater use of this more sustainable mode.

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About the EGFSN

The Expert Group on Future Skills Needs (EGFSN) advises the Irish Government on current and future skills needs of the economy and on other labour market issues that impact on Ireland's enterprise and employment growth. It has a central role in ensuring that labour market needs for skilled workers are anticipated and met. Established in 1997, the EGFSN reports to the Minister for Education and Skills and the Minister for Jobs, Enterprise and Innovation.

The Strategic Policy Division within the Department of Jobs, Enterprise and Innovation in conjunction with the Skills and Labour Market Research Unit, SOLAS, provides the EGFSN with research and analysis support.