

# The Czech road freight transport sector in 2019





# Comité national routier (CNR)

in cooperation with

Visemont s.r.o.

## EUROPEAN STUDIES

### The Czech road freight transport in 2019

Following on from the study devoted to the Czech RFT sector published in 2015, this survey, which was conducted in 2019, is intended to provide updated statistics concerning the activity of this sector as well as about the typical operating conditions and costs for a 40-tonne heavy goods vehicle (HGV) used for international long-distance transport.

The exchange rate used for this study is that used by the Czech Central Bank and represents the average exchange rate in 2019, i.e. €1 = CZK 25.672.

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The map on the cover comes from [https://commons.wikimedia.org/wiki/File:EU-Czech\\_Republic.svp](https://commons.wikimedia.org/wiki/File:EU-Czech_Republic.svp)



## SUMMARY

As in many other sectors, the Czech Republic seems to be gravitating increasingly towards its large German neighbour with respect to RFT, thus diverging from patterns seen in Eastern European economies.

In the space of a few years, the Czech TRM has shifted gears and reached a level of development normally associated with EU15 countries. Unlike its Slovakian, Hungarian or Polish neighbours, there is no longer a strong specialisation in international freight transport in the Czech Republic. Its domestic business is becoming increasingly important, while its international business has declined considerably. From a peak in 2013 – which was identified in the previous CNR study (2014) –, the Czech RFT sector's international business has declined by almost 60%.

In terms of labour relations, pressure on wages is mounting and truck drivers are demanding increasingly favourable working conditions, including frequent returns to base. Thus, driver costs have increased by 35% in 5 years, to bring them closer to those of a Portuguese or Spanish driver. At €26,444 per year, the annual cost of a driver is above the average found in the new Member States in the region.

Another significant cost item, vehicle ownership, is close to Western levels following fleet renewal campaigns. As a result, new, more efficient vehicles have reduced fuel costs by 13% in five years.

All in all, the Czech sector has managed to control its costs. The cost price, excluding fixed costs, of a 40-tonne Czech lorry operating internationally was €0.85 per kilometre in 2019, compared with €0.82 in 2014. Inflation has thus been limited to +3.7% over five years, i.e. 0.72% per year.



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# 1. OVERVIEW OF CZECH ROAD FREIGHT TRANSPORT

## 1.1. THE CZECH RFT SECTOR IN 2018 – KEY DATA

### STRUCTURE OF THE CZECH RFT SECTOR IN 2018

**Structure of the Czech RFT sector in 2018**

2018	Goods transported	Tonne-kilometers achieved		Average distance	Vehicle.kilometres achieved
	thousand tonnes	million t.km	%	km	million of vehicle.km
<b>TOTAL</b>	<b>479,235</b>	<b>41,073</b>	<b>100.0%</b>	<b>86</b>	<b>3,598</b>
Domestic transport	445,324	23,543	57.3%	53	2,329
International transport	33,911	17,530	42.7%	517	1,269
<i>International transport of goods loaded in Czechia</i>	17,077	8,008	19.5%	469	601
<i>International transport of goods unloaded in Czechia</i>	12,561	6,964	17.0%	554	491
<i>Cross-trade</i>	2,590	2,094	5.1%	808	144
<i>Cabotage</i>	1,683	464	1.1%	276	33

Source : Eurostat

Unlike its Polish, Slovak and Hungarian neighbours, the Czech sector is less reliant on international operations as a whole. The latter only accounts for 42.7% of total activity, compared with 81.8% in Slovakia, 65.8% in Hungary and 63.7% in Poland. In terms of international activity, the portion of transport between third countries carried out by the Czech sector is also down compared to other countries in the region. In terms of mileage, domestic transport reflects the country's small size, with journeys averaging 53 km. International RFT journeys were 517 km in length, on average. The close ties linking the Czech and German economies as well as the robustness of national demand are reflected clearly in the TRM figures.

### EVOLUTION OF THE CZECH RFT SECTOR

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

In million t-km	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	AAGR*
<b>TOTAL</b>	<b>50,877</b>	<b>44,955</b>	<b>51,832</b>	<b>54,830</b>	<b>51,228</b>	<b>54,893</b>	<b>54,092</b>	<b>58,715</b>	<b>50,315</b>	<b>44,274</b>	<b>41,073</b>	-2.12%
Domestic transport	15,748	13,480	14,762	14,985	14,403	15,392	16,813	21,184	22,304	21,899	23,543	4.10%
International transport	35,129	31,474	37,070	39,845	36,825	39,500	37,279	37,531	28,010	22,374	17,530	-6.72%

\*Average annual growth rate

Source : Eurostat

Domestic activity of the Czech sector has steadily increased, at a steady rate of more than 4% per year since the 2008 economic crisis. On the other hand, as regards international transport, the sector is suffering from a loss of market share, linked in particular to the increase in its costs and the shortage of drivers. Thus, this activity gone from more than 35,000 million tonne-kilometres in 2008 to 17,500 million tonne-kilometres in 2018. In other words, it has halved in 10 years.

## CABOTAGE

**Cabotage under Czech flag in the 2 main "cabotaged" countries**

In million tonne-kilometres	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	AAGR*
<b>Cabotage under Czech flag</b>	<b>293</b>	<b>364</b>	<b>545</b>	<b>937</b>	<b>1,219</b>	<b>1,344</b>	<b>1,371</b>	<b>1,148</b>	<b>986</b>	<b>614</b>	<b>464</b>	<b>4.68%</b>
<i>in Germany</i>	124	236	328	630	769	898	854	664	635	427	317	9.86%
<i>in France</i>	58	nd	71	60	120	135	157	125	143	63	44	-2.88%
<b>Share of cabotage in Czech transport %</b>	<b>0.58</b>	<b>0.81</b>	<b>1.05</b>	<b>1.71</b>	<b>2.38</b>	<b>2.45</b>	<b>2.53</b>	<b>1.96</b>	<b>1.96</b>	<b>1.39</b>	<b>1.13</b>	-

\*AAGR : average annual growth rate

Source: Eurostat

Czech cabotage accounted for 1.1% of the sector's activity in 2018. After peaking in 2014, Czech cabotage has been falling off dramatically: it has declined threefold. Germany remains the main focus of Czech cabotage activity, followed by France. In these two countries where the level of Czech cabotage is the highest, the trend is similar, i.e. a peak in activity in 2013-2014 and a significant dropping off since that period. All in all, Czech cabotage in France is below 2008 levels. In Europe, the Czech Republic ranks 17<sup>th</sup>, far behind its neighbours, but ahead of France (19<sup>th</sup>).

**Cabotage in Czechia**

In million tonne-kilometres	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	AAGR*
Cabotage in Czechia	75	71	171	84	85	63	96	310	193	181	199	10.30%
Penetration rate of cabotage*	0.47%	0.52%	1.15%	0.56%	0.59%	0.41%	0.57%	1.44%	0.86%	0.82%	0.84%	-
Market share cabotage**	0.61%	0.67%	1.44%	0.71%	0.74%	0.52%	0.71%	1.82%	1.09%	1.06%	1.07%	-

\*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)

The Czech Republic remains relatively closed to foreign hauliers. Thus, foreign cabotage in the country accounts for only 1% of market share and the penetration rate of cabotage has fallen since its peak in 2015.

## 1.2. FISCAL AND SOCIAL DEVELOPMENTS IN THE CZECH RFT SECTOR

### NOTE ON SPECIFIC TAXATION APPLICABLE TO THE RFT SECTOR

#### *Axle tax (Motor Vehicles Tax)*

The methods of calculating and collecting axle tax in the Czech Republic have not changed since the country's independence in 1993. However, the tax rates have been altered several times, with the latest change dating back to 2014. Thus, the information included in the 2014 study (published in 2015) on the Czech RFT sector, remains valid.

As a reminder, all professional vehicles (company cars) and commercial vehicles are subject to an annual tax, known as the "road tax on motor vehicles".

For commercial vehicles, the amount of the tax depends on the number of axles and the GVWR (tractor + trailer). It is €1,717.82/year for a 40-tonne, 5-axle HGV.

The tax is paid in four instalments during the year, according to the following schedule:

- Declaration for the previous year by 31 January and payment of the outstanding balance,
- First instalment for the current year on 15 April,
- Second instalment for the current year on 15 July,
- Third instalment for the current year on 15 October,
- Down payment for October and November by 15 December.

The following table details the various axle tax rates in CZK and Euro :

Motor Vehicles Tax in Czechia in 2019			
Number of axles	GVW	Amount in CZK	Amount in EUR
1 axle	until 1 tonne	1,800.00 CZK	70.12 €
	from 1 to 2 tonnes	2,700.00 CZK	105.17 €
	from 2 to 3.5 tonnes	3,900.00 CZK	151.92 €
	from 3.5 to 5 tonnes	5,400.00 CZK	210.35 €
	from 5 to 6.5 tonnes	6,900.00 CZK	268.78 €
	from 6.5 to 8 tonnes	8,400.00 CZK	327.20 €
	more than 8 tonnes	9,600.00 CZK	373.95 €
2 axles	until 1 tonne	1,800.00 CZK	70.12 €
	from 1 to 2 tonnes	2,400.00 CZK	93.49 €
	from 2 to 3.5 tonnes	3,600.00 CZK	140.23 €
	from 3.5 to 5 tonnes	4,800.00 CZK	186.97 €
	from 5 to 6.5 tonnes	6,000.00 CZK	233.72 €
	from 6.5 to 8 tonnes	7,200.00 CZK	280.46 €
	from 8 to 9.5 tonnes	8,400.00 CZK	327.20 €
	from 9.5 to 11 tonnes	9,600.00 CZK	373.95 €
	from 11 to 12 tonnes	10,800.00 CZK	420.69 €
	from 12 to 13 tonnes	12,600.00 CZK	490.81 €
	from 13 to 14 tonnes	14,700.00 CZK	572.61 €
	from 14 to 15 tonnes	16,500.00 CZK	642.72 €
	from 15 to 18 tonnes	23,700.00 CZK	923.18 €
	from 18 to 21 tonnes	29,100.00 CZK	1,133.53 €
from 21 to 24 tonnes	35,100.00 CZK	1,367.25 €	
from 24 to 27 tonnes	40,500.00 CZK	1,577.59 €	
more than 27 tonnes	46,200.00 CZK	1,799.63 €	
3 axles	until 1 tonne	1,800.00 CZK	70.12 €
	from 1 to 3,5 tonnes	2,400.00 CZK	93.49 €
	from 3.5 to 6 tonnes	3,600.00 CZK	140.23 €
	from 6 to 8.5 tonnes	6,000.00 CZK	233.72 €
	from 8.5 to 11 tonnes	7,200.00 CZK	280.46 €
	from 11 to 13 tonnes	8,400.00 CZK	327.20 €
	from 13 to 15 tonnes	10,500.00 CZK	409.01 €
	form 15 to 17 tonnes	13,200.00 CZK	514.18 €
	from 17 to 19 tonnes	15,900.00 CZK	619.35 €
	from 19 to 21 tonnes	17,400.00 CZK	677.78 €
	from 21 to 23 tonnes	21,300.00 CZK	829.70 €
	from 23 to 26 tonnes	27,300.00 CZK	1,063.42 €
	from 26 to 31 tonnes	36,600.00 CZK	1,425.68 €
	from 31 to 36 tonnes	43,500.00 CZK	1,694.45 €
more than 36 tonnes	50,400.00 CZK	1,963.23 €	
4 axles and more	until 18 tonnes	8,400.00 CZK	327.20 €
	from 18 to 21 tonnes	10,500.00 CZK	409.01 €
	from 21 to 23 tonnes	14,100.00 CZK	549.24 €
	from 23 to 25 tonnes	17,700.00 CZK	689.47 €
	from 25 to 27 tonnes	22,200.00 CZK	864.76 €
	from 27 to 29 tonnes	28,200.00 CZK	1,098.47 €
	from 29 to 32 tonnes	33,300.00 CZK	1,297.13 €
	from 32 to 36 tonnes	39,300.00 CZK	1,530.85 €
more than 36 tonnes	44,100.00 CZK	1,717.82 €	

Source : Ministry of transport

## Tolls

Since 2007, HGVs of 3.5 tonnes and above that use motorways, urban motorways and certain other national roads on Czech soil have been obliged to pay a tax for the use of these infrastructures. The tax is calculated on the basis of the number of kilometres travelled and varies according to the vehicle's EURO class, its number of axles and the time of day. Myto CZ, owned by the Ministry of Transport and the Motorways and Roads Authority (RSD CR), is responsible for managing the tax collection system.

The following table summarises the rates in force in 2019, which were slightly up from 2015.

**Tolls in Czechia in 2019**

<b>Motorways and Expressways</b>												
<b>Friday from 15:00 to 20:00</b>												
Emission class	Euro 0-II			Euro III-IV			Euro V			Euro VI, EEV		
Number of axles	2	3	4 and more	2	3	4 and more	2	3	4 and more	2	3	4 and more
Price CZK/km	4.24	8.10	11.76	3.58	6.87	9.94	2.33	4.46	6.46	2.12	4.05	5.88
Price €/km	0.17	0.32	0.46	0.14	0.27	0.39	0.09	0.17	0.25	0.08	0.16	0.23
<b>Other time slots</b>												
Emission class	Euro 0-II			Euro III-IV			Euro V			Euro VI, EEV		
Number of axles	2	3	4 and more	2	3	4 and more	2	3	4 and more	2	3	4 and more
Price CZK/km	3.34	5.70	8.24	2.82	4.81	6.97	1.83	3.13	4.52	1.67	2.85	4.12
Price €/km	0.13	0.22	0.32	0.11	0.19	0.27	0.07	0.12	0.18	0.07	0.11	0.16
<b>1st Category Roads - except expressways</b>												
<b>Friday from 15:00 to 20:00</b>												
Emission class	Euro 0-II			Euro III-IV			Euro V			Euro VI, EEV		
Number of axles	2	3	4 and more	2	3	4 and more	2	3	4 and more	2	3	4 and more
Price CZK/km	2.00	3.92	5.60	1.69	3.31	4.74	1.10	2.15	3.07	1.00	1.96	2.80
Price €/km	0.08	0.15	0.22	0.07	0.13	0.18	0.04	0.08	0.12	0.04	0.08	0.11
<b>Other time slots</b>												
Emission class	Euro 0-II			Euro III-IV			Euro V			Euro VI, EEV		
Number of axles	2	3	4 and more	2	3	4 and more	2	3	4 and more	2	3	4 and more
Price CZK/km	1.58	2.74	3.92	1.33	2.31	3.31	0.87	1.50	2.15	0.79	1.37	1.96
Price €/km	0.06	0.11	0.15	0.05	0.09	0.13	0.03	0.06	0.08	0.03	0.05	0.08

Source : [www.myto.cz](http://www.myto.cz)

## Excise duty on commercial diesel fuel

The competent authority for collecting excise duties in the Czech Republic is the Department of Taxes attached to the National Customs Authority.

Currently, excise duty is set at CZK 10,950 per 1,000 litres, i.e., €42.65 per hectolitre. This amount may change depending on fluctuations in the exchange rate of the Czech koruna.

There is no partial rebate system for excise duties on commercial diesel.

## NOTE ON LABOUR REGULATIONS APPLICABLE TO ROAD FREIGHT TRANSPORT

### Collective agreement

A first non-mandatory RFT sector collective agreement in the Czech Republic was established to cover the period 2013-2017. It included the main regulatory provisions specific to the RFT sector. A second version of this collective agreement, covering the period 2018-2020, was signed on 1 June 2017. This new collective agreement became mandatory and contained improvements compared to the previous

version such as, for example, clarifications regarding the calculation of working hours, rates of travel allowance, limitations on overtime, etc. However, it did not impose a standard salary and continued to give precedence to company-level contracts.

A third, more comprehensive version of the collective agreement, covering the period 2021-2023 is expected at the end of 2020.

### Pay rates

In 2019, the Czech minimum wage was CZK 13,350 (€520) for a full month of work, i.e. CZK 79.80 (€3.11) per hour. As of 1 January 2020, the minimum gross monthly salary was raised to CZK 14,600 (€568.71) per month or CZK 87.30 (€3.40) per hour. The minimum monthly wage corresponds to a 40-hour working week.

Czech labour law provides for several minimum wage levels (8 in total), each with a higher minimum wage. For example, for a CEO whose job, by definition, involves a high level of responsibility and who consequently is at the highest level, the minimum wage is double that of someone in the lowest category, i.e. €1,040 in 2019. In 2019, lorry drivers responsible for driving, safekeeping and maintaining a road vehicle with a GVWR of 3.5 tonnes or above, were in level 3 and were entitled to a minimum wage of CZK16,280, or €634.15 gross per month.

Minimum wage in Czechia								
	2019				2020			
Group	Hourly rate		Monthly Minimum Salary		Hourly rate		Monthly Minimum Salary	
1	79.80 CZK	3.11 €	13,350.00 CZK	520.02 €	87.30 CZK	3.40 €	14,600.00 CZK	568.71 €
2	88.10 CZK	3.43 €	14,740.00 CZK	574.17 €	96.30 CZK	3.75 €	16,100.00 CZK	627.14 €
3	97.30 CZK	3.79 €	16,280.00 CZK	634.15 €	106.40 CZK	4.14 €	17,800.00 CZK	693.36 €
4	107.40 CZK	4.18 €	17,970.00 CZK	699.98 €	117.40 CZK	4.57 €	19,600.00 CZK	763.48 €
5	118.60 CZK	4.62 €	19,850.00 CZK	773.22 €	129.70 CZK	5.05 €	21,700.00 CZK	845.28 €
6	130.90 CZK	5.10 €	21,900.00 CZK	853.07 €	143.20 CZK	5.58 €	24,000.00 CZK	934.87 €
7	144.50 CZK	5.63 €	24,180.00 CZK	941.88 €	158.10 CZK	6.16 €	26,500.00 CZK	1,032.25 €
8	159.60 CZK	6.22 €	26,700.00 CZK	1,040.04 €	174.60 CZK	6.80 €	29,200.00 CZK	1,137.43 €

Source : Ministry of Labor and Social Affairs of Czech Republic

Group	Examples of professions in the corresponding group
1	Maid, postman, tailor,...
2	Construction worker, garbage collector, residential caretaker,...
3	Freight driver, plumber, builder, hairdresser,...
4	Nurse, midwife, translator, accountant,...
5	Financial advisor, IT programmer, teacher, driving school teacher,...
6	Chargé d'affaires, IT manager, architect, project manager,...
7	CFO, CMO, medical doctor, dentist, pharmacist,...
8	CEO, broker,...

Source : Ministry of Labor and Social Affairs of Czech Republic

## Travel allowances

The amount of travel allowances is governed by Article 170 of the Labour Code of the Czech Republic. A full list is available on the Ministry of Labour website. The amounts depend on the country where the driver physically spends his day and night. In European countries, these allowances range between €35 and €60 per day (see the attached table). They are not subject to tax or social security contributions.

<b>Travel Allowances for Czech drivers in Europe in 2019</b>	
<b>Country</b>	<b>Amount</b>
Germany	45 €
Austria	45 €
Belgium	50 €
Belarus	45 €
Bulgaria	35 €
Cyprus	40 €
Croatia	35 €
Denmark	55 €
Spain	45 €
Estonia	40 €
Finland	50 €
France	45 €
Greece	40 €
Hungary	35 €
Ireland	50 €
Italy	50 €
Latvia	40 €
Lithuania	40 €
Luxemburg	50 €
Malta	45 €
North Macedonia	35 €
Norway	60 €
Netherlands	50 €
Poland	40 €
Portugal	40 €
Romania	35 €
UK	45 €
Russia	45 €
Serbia	35 €
Slovakia	35 €
Slovenia	35 €
Sweden	50 €

Source : Ministry of Labor and Social Affairs of Czech Republic

### Income tax

The Czech Republic has a “single” income tax rate of 15%. Income tax is based on the gross salary plus the social security contributions paid by the employer, known as the “super-gross”. The result of this calculation is rounded up to the nearest CZK100. Each employee is entitled to a monthly tax credit of CZK 2,070 (i.e., €80.63), which is deducted from the amount of tax due, calculated using the single rate.

Since 2014, a new law has changed the single rate principle by introducing a 7% surcharge for monthly revenues exceeding CZK 130,796 (€5,094.89) in 2019 and CZK 139,340 (€5,427.70) in 2020.

Income tax is deducted at source in the case of employees. The tax credit is automatically deducted from the monthly tax amount.

### Social security contributions

Czech social security contributions underwent slight changes in July 2019. The figures below are the latest available data, those applicable to the second half of 2019 and 2020.

Social Contributions in Czechia

Social contributions applicable to driving staff as of 1st January 2019	Employer	Employee
Sickness and Maternity Leave	2.100%	-
Health Insurance, Health Care	9.000%	4.500%
Old-age, Invalidity, Death Pensions	21.500%	6.500%
Accidents at work and occupational diseases	0.084%	-
Unemployment	1.200%	-
<b>Total</b>	<b>33.884%</b>	<b>11.000%</b>

Source: Eurostat, Cleiss et Ministry of Social Affairs

Unlike those recorded in 2014, Czech social security contribution rates no longer include the voluntary contribution, known as the second pillar of the old-age pension. This system was discontinued in 2015.

The occupational accident rate for lorry drivers is 0.084%. This rate has remained unchanged since 2014.

## 2. STUDY OF THE OPERATING CONDITIONS AND COSTS FOR A 40-TONNE CZECH LGV 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 Czech 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 Czech hauliers and lorry drivers (see below and page 17).

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 12 Czech road freight transport companies involved in long-distance transport operations, mainly internationally. The companies included in this study have the following characteristics:

	No of tractors	No of semi-trailers	Main markets	No of drivers	Turnover
Company 1	21	24	DE, AT, SK, HU, Benelux	26	9,738,236 €
Company 2	4	5	DE, Benelux	5	467,435 €
Company 3	8	11	AT, IT, DE	10	1,090,682 €
Company 4	150	168	CZ, DE, PL, Benelux	163	25,007,791 €
Company 5	18	22	DE, AT	17	1,947,647 €
Company 6	28	36	DE, BE, PL	30	3,298,625 €
Company 7	5	6	AT, DE	6	not available
Company 8	35	46	IT, CH	38	3,462,917 €
Company 9	105	122	AT, CZ, SK, PL, H, D, I, F, UA	116	35,057,650 €
Company 10	29	32	FR, IT, ES, PT	34	2,882,518 €
Company 11	14	17	NL, BE, DE	16	1,499,688 €
Company 12	26	25	DE	31	2,921,471 €

The companies we visited are small to medium-sized. They are all specialised in international RFT, or else generate a large part of their turnover internationally.

In the Czech Republic, 8 out of 12 companies we met with reported that domestic activity accounted for a significant amount of their business, i.e. around 30 to 40%. In the case of the other 4, over 90% of their activities are internationally oriented. Some of the companies we met were created using German and Russian capital. Czech companies often use subcontracting, particularly Slovak and Hungarian micro-enterprises. According to the managers interviewed on-site, the future of Czech companies will depend on increased diversification and differentiation within the sector. Haulier costs seem to be rising faster than in other neighbouring countries, leaving Czech hauliers at a disadvantage compared to their Slovak, Polish and Romanian counterparts.

Czech carriers frequently point to problems related to lack of drivers and road safety issues in certain countries, including France, Germany and Spain.

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 “typical” HGV operating internationally.

## VEHICLES

Hauliers reported that vehicles are operated between 255 and 272 days annually. The figure used in this study is 262 days, which is consistent with the number of days drivers work.

Mileage figures collected on-site varied widely, from as low as 100,000 km for to in excess of 160,000 km, with a clustering around 138,000 km. Following interviews carried out with drivers, this initial estimate was recalculated, and the study estimates an average annual mileage of 143,700 km, a figure that has not changed much since 2014.

The length of time tractors are kept is approximately 6 years. In more than 80% of cases we encountered, the preferred method of financing for rolling stock is leasing. Tractors are often acquired via 48-month leases and kept for an additional 2 years after the end of the contract. Semi-trailers are purchased using (5- or 6-year) lease-purchase contracts and are kept for approximately ten years. Lease interest rates range from 1.6% to 1.8%.

The tractor/semi-trailer ratio reported in the course of company surveys is in line with the European average and is approximately 1.16 in the case of the Czech sector.

The average purchase price of a Euro VI tractor established based on interviews with Czech hauliers is between €85,000 and €94,000, with a clustering around €88,000. Czech companies are often dependent on the German market and have adopted German standards when it comes to rolling stock. The purchase price of a semi-trailer is estimated at €23,500.

Using figures collected on-site as well as the terms of leasing contracts, the annual cost of owning a 40-tonne articulated unit can be estimated at approximately €15,085, with an interest rate of 1.6% for the tractor and 1.8% for the trailer.

## FUEL

The average fuel consumption reported in the course of our interviews was 29.2 litres per 100 km.

With regard to supply, Czech carriers fill up mainly in the Czech Republic and on a wholesale basis. The difference between the price of filling up at the pump or from a fuel tank in the Czech Republic appears to be 1.5 Czech koruna, or almost 6 euro cents. According to CNR estimates, this accounts for 70% of the total fuel supply (€0.960 per litre). As for the remaining 30% of fuel needs, half are reportedly fulfilled in Germany and the other half in Luxembourg, at prices of €1.054/litre and €0.941/litre, respectively.

Thus, the average price of this diesel “basket” for Czech carriers in 2019 is estimated at €0.9710/l.

## MAINTENANCE & REPAIRS

With the proliferation of different types of maintenance contracts, estimating this cost item has become increasingly difficult. On the one hand, companies that use conventional maintenance contracts for the term of the lease pay an average of nearly €5,800/year over 6 years. However, certain service contracts include changes of tyres or other motorway services. These need to be excluded for reasons of consistency.

On the other hand, large companies with their own repair centres have costs of nearly €4,300 per year per vehicle in the case of this item. Otherwise, smaller companies that have self-financed vehicles spend more than €7,000 on the same item.

Thus, estimating of this extremely variable cost item remains somewhat subjective and has been established based on “expert opinion”. In conclusion, an average cost of €6,200 can be estimated for the maintenance-repair cost item for a 40-tonne rig that is not covered by an all-inclusive maintenance contract.

This figure represents an increase of nearly 20% over 4 years (reminder: €5,250/vehicle in 2014).

## TYRES

In the case of the 9 companies for which the cost of tyres could be separated from that of maintenance-repairs, the annual cost per vehicle comes out at nearly €5,100, with figures ranging from as low as €3,600 up to as much as €8,600. In 2014, the figure used in the study was €4,300/vehicle, an increase of nearly 19% in 5 years.

In recent years, certain companies have tended to sign contracts with tyre suppliers. The current price is around 3.5 to 4 euro cents per km travelled, which amounts to tyre costs of almost €5,000 per year in the case of an articulated rig.

## TOLLS

The Czech sector is surrounded by motorway and road networks that are expensive to use. In the previous CNR study, we already pointed to the growing financial burden that this cost item represented for Czech RFT companies. At the time, this cost item was €18,760 per year per vehicle.

Five years later, this cost item appears to have risen to €21,400. This cost is largely made up of mileage taxes in Germany, Austria, the Czech Republic, Slovakia and Belgium, as well as the cost of the Eurovignette for companies travelling in the countries concerned.

Faced with this increase, a large proportion of Czech companies are beginning to opt for service contracts, excluding infrastructure use costs, the latter being invoiced separately and at actual cost. The managers interviewed on-site frequently talked in terms of per-km costs (excluding infrastructure use costs) of around 78 to 82 euro cents.

## INSURANCE

The cost of insurance is relatively high compared to other countries in the region. According to hauliers, comprehensive insurance for a tractor costs between €2,200 and €2,600 per year and between €400 and €700 for a semi-trailer.

The cost that has been used in the case of this item is €2,800 per year per vehicle, down compared to 2014 when the figure was €3,800 per vehicle.

## AXLE TAX AND OTHER VEHICLE TAXES

According to the Ministry of Transport table included in part 1.2 of this report, the annual amount of the axle tax is 44,100 CZK, or €1,717.82 in the case of a 40-tonne vehicle with more than 4 axles.

## OVERHEAD COSTS

Information on fixed costs is often difficult to collect. Thanks to the cooperation of many of the Czech companies that CNR visited, this cost item is estimated at 6.7% of overall costs in the case of a haulage company working mainly internationally. However, for reasons of consistency with other country studies, this cost item will not be taken into account in the calculation of the total cost.

## 2.2. EMPLOYMENT CONDITIONS EMPLOYMENT COSTS OF RFT DRIVERS

Employment conditions and driver pay in the Czech Republic 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 La Jonquera in Spain. During this second phase, around twenty drivers, employees with Czech 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 a Czech contract working internationally.

### WORKING CONDITIONS

The Czech drivers interviewed in Spain say they prefer companies where journeys are international, but which involve moderate distances. Czech drivers are aware that their earnings are considerably increased by travel allowances added to their basic salary. However, they are quick to put pressure on their employer so they can return home as often as possible.

According to these drivers, domestic journeys are carried out mainly by young, inexperienced drivers.

Czech drivers, who are all hired on permanent contracts, often without a trial period, receive 25 days of paid leave.

Nearly 60% of drivers surveyed complete short multi-stop or round-trips to neighbouring countries within the space of the same week. In other words, after 5 to 6 days of driving, they return to base.

The remainder undertake longer trips – between 15 and 20 days in total –, often followed by 3 or 4 days' rest at home.

Working hours are estimated at 226 hours per month, with driving hours maximised to 90 hours over two weeks.

The driver/tractor ratio in the Czech Republic is 1.11.

#### NOTE ON DRIVING PERSONNEL COST FORMATION

##### *International driver pay*

Under Czech law, drivers with a permanent contract are entitled to a level 3 minimum wage, i.e. €646 gross per month in 2019, when the study was carried out, or €693 in 2020. Due to the tight labour market, Czech drivers working in the Prague region are expected a gross fixed salary of 25,000 koruna, or almost €1,000. In other regions, salaries range between 18,000 koruna and 21,000 koruna. The average used for the purposes of this study is 21,300 Czech koruna, or nearly €830 gross per month.

Fixed salaries are frequently supplemented by bonuses. In fact, these bonuses, granted for seniority or for eco-friendly driving, constitute a 13<sup>th</sup> month of salary. Some drivers who agree to drive in Ukraine, Russia or the Balkans, countries they consider difficult, expect a fixed salary of up to 35,000 koruna, i.e. €1,363 gross per month.

During our interviews, Czech drivers reported having on occasion received mileage bonuses in the past that were as high as an entire month's pay. They report that they no longer receive this type of compensation and seem to have learned by heart a whole speech regarding the illegality of this way of calculating pay. Thus, 18 out of 20 drivers surveyed said they had a fixed salary, supplemented by bonuses and travel allowances. They know the exact allowances for the countries they visit and report receiving the correct amount for the number of days actually worked.

According to CNR calculations, a driver working exclusively on international trips and undertaking a variety of short, medium and long journeys could be entitled to nearly €1,095 in travel allowances.

Thus, based on the information collected, the annual cost of a driver is €26,444/year.

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

Standard profile of an international driver - Czechia - 2019					
Characteristics		<ul style="list-style-type: none"> <li>- 90% of driver's work realized on international routes.</li> <li>- Short and medium distance international trips (Germany, Austria, Benelux)</li> <li>- Rounds of 5 to 6 days concern more than 60 % of drivers interviewed.</li> <li>- 3 weeks of paid holidays systematically taken in summer period, then the reste during Christmas time.</li> <li>- Income composed of a fixed salary higher than the national minimum (level 3), completed by a variable part composed of travel allowances, seniority bonus and eco-driving premium.</li> <li>- Travel allowances usually reflect the reality and their amounts are respected.</li> <li>- Monthly working time close to 230 hours. Mileage is maximised.</li> </ul>			
Annual mileage achieved		129,500 km			
Number of actual working days per year		236			
Number of working weeks per year		45			
Number of driving hours per year		1,980			
Cost breakdown of a standard Czech international driver in 2019					
Presentation of a standard pay slip					
EMPLOYER			EMPLOYEE		
Gross salary	€/month	896.24 €	Salaire Brut	€/month	896.24 €
Fixed gross salary	€/month	829.70 €	Fixed gross salary	€/month	829.70 €
Other bonuses and extras (on monthly basis)	€/month	66.54 €	Other bonuses and extras (on monthly basis)	€/month	66.54 €
<b>Social contributions</b>	<b>33.88%</b>	<b>303.68 €</b>	<b>Social contributions</b>	<b>11.00%</b>	<b>98.59 €</b>
Sickness and Maternity Leave	2.10%	18.82 €	Sickness and Maternity Leave	0.00%	0.00 €
Health Insurance, Health Care	9.00%	80.66 €	Health Insurance, Health Care	4.50%	40.33 €
Old-age, Invalidity, Death Pensions	21.50%	19.27 €	Old-age, Invalidity, Death Pensions	6.50%	58.26 €
Accidents at work and occupational diseases	0.084%	0.75 €	Accidents at work and occupational diseases	0.00%	0.00 €
Unemployment	1.20%	10.75 €	Unemployment	0.00%	0.00 €
			<b>Salary after contributions</b>		<b>797.66 €</b>
			Income tax		99.36 €
<b>Monthly salary after payment of contributions</b>		<b>1,199.92 €</b>	<b>Net salary after social contributions and income tax</b>		<b>698.30 €</b>
Travel allowances for a full working month (11 months in a year)		1,095.00 €	Travel allowances for a full working month (11 months in a year)		1,095.00 €
<b>Monthly cost of a driver for a month of full activity</b>		<b>2,294.92 €</b>	<b>Net income of a driver for a month of full activity</b>		<b>1,793.30 €</b>
Breakdown of annual cost of a standard Czech driver in 2019					
Fixed gross salary + bonuses * 12 months		10,754.91 €	Fixed gross salary + bonuses * 12 months		10,754.91 €
Employer's social contributions * 12 months		3,644.16 €	Employee's contributions and income tax* 12 months		2,375.31 €
Salary cost after payment of contributions * 12 months		14,399.07 €	Net fixed income after income tax * 12 months		8,379.60 €
Travel allowances * 11 months		12,045.00 €	Travel allowances * 11 months		11,771.25 €
<b>Total annual cost</b>		<b>26,444.07 €</b>	<b>Annual net income</b>		<b>20,150.85 €</b>
<b>Cost of one hour of driving in €</b>		<b>13.36 €</b>	<b>Average monthly net income</b>		<b>1,679.24 €</b>
<b>Cost per kilometre in €</b>		<b>0.20 €</b>			

Source : CNR European Studies

The total annual cost of a Czech driver as estimated by CNR increased by 35% in the space of 5 years: from €19,666 in 2014 to €26,444 in 2019. This increase is largely due to the significant increase in the Czech minimum wage, which resulted in a 64% increase in the gross salary (including bonuses) for Czech drivers. The rate of social security contributions fell slightly by 0.2 points compared to 2014 and the cost of travel allowances increased by 10%.

Consequently, the hourly cost of driving has increased. It increased from €10.24/h in 2014 to €13.36/h in 2019, an increase of 30% (or 5.5%/year over 5 years). This partly explains the declining competitiveness of the Czech sector in the area of international haulage.

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

Operating conditions and costs excluding overhead costs, for a 40-tonne HGV operated on long distance international routes, 2019 values 		
	unit	Czechia Simulation
Yearly mileage of a vehicle	km	143,700
Number of operating days	days/year	262
Semitrailer/tractor ratio		1.16
Cost of one driver	€/year	26,444
Driver/tractor ratio		1.11
Yearly cost of vehicle financing and possession	€/year	15,085
Average consumption per 100 km	litres	29.20
unit fuel price, 2019 average	€/litre	0.971
Yearly fuel cost	€/year	40,744
Tyres	€/year	5,100
Maintenance-repair	€/year	6,200
Tolls and vignettes	€/year	21,400
Insurance (vehicle)	€/year	2,800
Axle tax and other vehicle taxes	€/year	1,718
<b>Synthesis - cost price (excluding overhead costs)</b>		<b>122,400</b>
Cost/mileage ratio per annum	€/km	0.85

Source : CNR European Studies

According to CNR calculations, the cost per kilometre of a Czech vehicle operating internationally on long distance trips, excluding fixed costs, was €0.85 in 2019 compared with €0.82 in 2014, i.e. an increase of approximately 3.7% in over a 5-year period.

This cost is practically equivalent to that of its Slovak neighbour.

Some cost items such as the driver cost (+34.5%), the cost of ownership (+42.2%), tolls (+14.1%), tyres (+18.6%) and maintenance-repair costs (+18.1%) were up compared to 2014, but these increases were partially offset by the fall in the annual cost of fuel, the main cost item for Czech hauliers. This fell from € 52,443/year in 2014 to € 40,744/year in 2019, down 22.3 %.

Ultimately, when overhead costs (estimated at around 8% of total costs) are factored in, the cost price of this type of vehicle in 2019 was estimated at €0.84 per kilometre. This amount is close to the figure of 92 euro cents per kilometre, which is frequently advanced by Czech hauliers.

### 3. BIBLIOGRAPHY

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Czech Ministry of Finance – <https://www.mfcr.cz/en/>

Ministry of Transport – <https://www.mdcr.cz/?lang=en-GB>

Ministry of Labour and Social Affairs – <https://www.mpsv.cz/>

#### Other useful sources

Road tax on motor vehicles - <https://www.kurzy.cz/dane-danova-priznani/dan-silnicni-2019.htm>

Tolls in the Czech Republic - <https://www.mytocz.eu>

Salary simulator - <https://kalkulacky.idnes.cz/>

#### Professional associations

Cesmad Bohemia - <https://www.prodopravce.cz/>

### 4. APPENDICES

- Map of motorways and toll roads in the Czech Republic (motorways in red; category 1 roads, i.e. urban motorways, in yellow)
- Increase in the Czech minimum wage since 1991 (annual amount in blue; change in the course of the year in red – the increase concerns only the second half of the year)