

Economy

# Only owner-driven trucks are operating, that too at a stiff price

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Truckers' demands include deferment of EMIs and extension of insurance cover - Rajendra Gawankar

## Freight charges for shorter distances have soared

As a large number of employee truck drivers return to their families, only owner-driven trucks are plying on the roads, say officials working in the logistics space. A sharp drop in trucks has also led to freight rates shooting up.

India has about five million trucks used in medium and long distance highways, of which 25 per cent are family-owned and driven by the owner or their relatives, according to the Indian Foundation of Transport Research and Training (IFTRT).

“The owner drivers are the only ones that are ready to operate their vehicles, and they are charging a premium for their services,” said Sachin Haritash, Founder and CEO, of Mavyn, a logistics start up firm that uses AI to work out freight prices by mapping demand and supply.

A lot of drivers employed in trucks returned to their families as the fear of pandemic gripped India. These drivers also faced food and cash shortages. Reports of drivers being harassed by police and some drivers allegedly shot at have also surfaced, with some States like Bihar and West Bengal cracking down on the bribe-seekers.

Owner drivers have access to credit cards, unlike employee drivers, who carry cash and cash cards; and have to deal with ATMs without cash, said Haritash.

Some drivers are only willing carry cargo to locations that are close to their homes, according to Mavyn and LogisticsNow, a data crunching player.

Freight charges for shorter distances have soared with the owner drivers asking over 1.5 times the freight charges, for risking transporting freight cargo between two places, said Haritash.

Some truckers are asking for freight rates that get return cargo as well.

Raj Saxena, Founder and CEO, LogisticsNow, said that truckers are requesting companies for advance payments, increasing freights rate where demand is urgent, requesting for payment of all past dues before fresh truck placements start and not taking any new business unless payment is assured.

Aditi Sinha, Co-Founder, Locale.ai, another technology player in the logistics space, said that companies are expanding to new areas in the lockdown period based on latent demand, and are prioritising more profitable orders.

Mavyn has expanded its scope of operations to picking and dropping cargo wherever it is available during the lockdown from the earlier practise of operating only on long routes.

IFTRT Senior Fellow SP Singh said that a large chunk of truck drivers employed by firms in India are not even on the rolls of transport companies.

So, they don’t have access to social security nets like employees provident fund and employees state insurance corporation, he said.