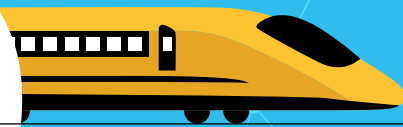
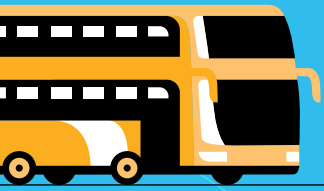


TRANSFORMING THE DAILY COMMUTE:

A Global Perspective on Emerging Trends, Challenges and Solutions



Introduction

In a workplace that's shaped by digital technologies and hybrid working models, the daily commute to work remains an integral part of life. Despite the numerous advantages and flexibility offered by remote working models, the last year has seen many workers gradually return to working from the office in a hybrid setting.

In congested metropolises, the daily commute can be a long, stressful journey for employees, especially those that use their own vehicles or rely on public transport. To resolve this pain-point, many companies offer commuting services and solutions to their workforce.

In a post-pandemic world, corporate practices are evolving to reconcile traditional practices with the fresh demands of a workforce that finds itself at home with hybrid working models. This whitepaper aims to navigate the intricate dynamics of the daily commuting landscape in the context of five regions: India, the Philippines, South Africa, Vietnam, and the Middle East.

We delve into the specific challenges of each region, understand the regulatory landscape in each region, and explore the role that technology can play in revolutionizing commute operations. This whitepaper uses qualitative analysis from the 1Lattice report **“Market assessment on workplace commute services.”**



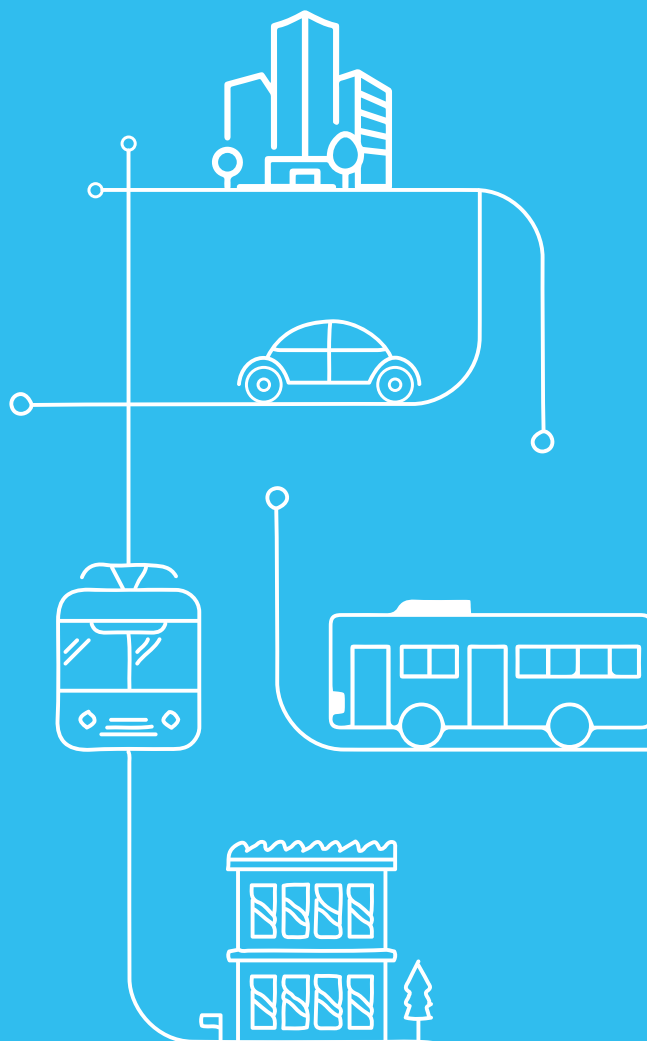
Section **2**

A Global Perspective on Employee Commuting

In the wake of the COVID-19 pandemic, companies around the world were forced to reassess their working models. Employees grew comfortable with remote work, and the safety and flexibility it offered them, and have been reluctant to return to the office post-lockdown. As demand for more flexible working arrangements grew, businesses found themselves needing to prioritize the employee experience more than ever before.

The growing popularity of employee commute solutions may be attributed to this shift. Moreover, businesses have also come to recognize the economic, social, and logistical benefits of providing commuting facilities. Beyond regulatory compliance, commute solutions also attract and retain talent, ensure punctuality, boost productivity, eliminate parking issues, and is a much more sustainable option than private vehicles.

To get a better idea, let's take a closer look at the commuting landscape in five different regions around the world. We also explore local regulations with respect to employee transportation and reasons why organizations in these regions should consider an employee commute solution.



Section 2.1

India

As the most populous country in the world, India's total workforce has grown post-pandemic due to a governmental focus on the manufacturing and service industries. However, urban infrastructure has not caught up with the rate of population growth. Most cities have poorly developed public transport infrastructure, which forces most workers to use their personal vehicles to travel to work. These factors warrant the urgent need for transportation services for employees.

As a developing economy, India has also set up several SEZs (Special Economic Zones) to create more employment opportunities. Some of the best known SEZs, such as the Manyata Tech Park in Bengaluru, and the Rajiv Gandhi Infotech Park in Pune employ hundreds of thousands of workers. However, the SEZs are often located in remote areas, which makes it difficult for workers to get to and from work without employer-sponsored transport.



Section 2.1.1

Regulations

Companies are responsible for ensuring employee safety, particularly for employees working night shifts (8 pm to 8 am). In 13 Indian states, women can only be employed for night shifts if their employers provide commute facilities. Late night shifts are common in the BPO, IT/ITeS, pharmaceutical and FMCG sectors, and almost all companies in these industries provide transportation facilities to their employees.

Section 2.1.2

Reasons to Choose an Employee Commute Solution

- **Productivity:** Providing transportation improves employee productivity and enhances the overall employee experience.
- **Punctuality:** Several industries, such as aviation, are highly dependent on punctuality to ensure minimal interruptions to work. A commuting solution ensures this.
- **Distance from residence:** In many cases, economic zones and manufacturing plants are located far from residential areas. Without a commuting solution, companies may struggle to build their workforce.
- **Parking costs:** Due to a surge in parking costs in Metro and Tier 1 cities, providing transportation is a more cost-effective option for both employers and employees.

Section 2.2

Philippines

The Philippines' workplace has steadily grown thanks to foreign investment in the Philippine Economic Zone Authority (PEZA) zones. Metropolises in the Philippines such as Manila and Cebu are densely populated and grapple with traffic congestion challenges.

Companies within PEZA are legally required to offer shuttle services to their employees or provide alternative transportation arrangements if shuttle services are not available.



Section 2.2.1

Regulations

Companies with total assets of over 100 million pesos inside the PEZA region are legally required to provide shuttle services to their employees. For private establishments that are unable to bear these costs, alternative arrangements such as cost sharing, partial discounts on public transportation, or a transportation allowance must be adopted.

Section 2.2.2

Commuting Challenges

- **Poor connectivity:** CBDs are not well connected to the public transportation system and are often outside city limits.
- **Expensive transportation:** Without public transportation or one's own vehicle, private transportation to the CBDs is prohibitively expensive at nearly 500 pesos/ride.

Section 2.3

South Africa

The pandemic devastated the South African economy, particularly the service industry which accounts for 75% of the national GDP. While the country is now steadily recovering, significant challenges still remain, of which employee transportation is one. Public transportation options are limited, while safety is also a problem, particularly during night shifts.

The country's regulations place the responsibility on employers to ensure a safe journey for their workers, but there are few options, necessitating the need for commuting solutions.



Section 2.3.1

Regulations

Employers in South Africa are bound by regulations that put the onus on ensuring a safe commute for their employees. Companies are responsible for ensuring the health and safety of their employees during their daily commutes. Employers are also not allowed to let employees work night shifts (6 pm to 6 am) if there is no suitable transportation available from the employee's residence to the workplace. Finally, any transportation provided by an employer to their employees for their daily commute can be claimed as a non-taxable benefit.

Section 2.3.2

Commuting Challenges

- **Lack of options:** Minibus taxis, the most common commuting option, do not run frequently during dark hours.
- **Fuel costs:** High fuel cost in South Africa makes owning personal vehicles prohibitively expensive.
- **Poor connectivity:** The public transport system is not available on weekends and public holidays, making it an unreliable commuting option.

Section 2.4

Vietnam

Much like South Africa, Vietnam's workforce also suffered a pandemic-induced economic downturn and recovery. The country has a robust manufacturing industry, and a steadily growing IT sector which employs much of the country's young population. Companies established in industrial areas offer shuttle services or transportation allowances to their employees due to an inadequate public transportation network.

Major cities like Ho Chi Minh are plagued with traffic congestion and limited parking spaces. These factors necessitate the need for companies to use and offer commuting solutions to their employees.



Section 2.4.1

Regulations

Employers are required to provide travel expenses for domestic workers to return to their place of residence at the end of their service.

Section 2.4.2

Commuting Challenges

- **Remote location:** Given that industrial districts are often outside city limits, employees face difficulties in finding affordable transportation options to get to work. While companies often provide transportation allowances, there's an urgent need for employer-provided commuting solutions.
- **Poor public transport:** Lack of public transport connectivity means that employees must use personal vehicles, which further adds to congestion.
- **Limited parking:** A lack of parking options means drivers park illegally or circle around in search of spots, which further exacerbates the congestion problem.

Section 2.5

Middle East

The Middle East has historically had a prosperous oil and gas sector, although regional economies have begun to pivot towards other industries, such as finance and retail. Almost all countries in the region have world-class road infrastructure and low fuel costs, which makes owning a personal vehicle a convenient option. Post-pandemic, most companies in the region have made the switch back to in-person work.

While most of the business districts in the Middle East are readily accessible by public transportation, economic free zones are often located in more remote regions. This fact, coupled with the large immigrant population without personal vehicles and significant investment in the transportation sectors make the region an attractive market for transportation service providers.



Section 2.5.1

Regulations

Governmental regulations in the Middle East vary from country to country. In the UAE, labor law stipulates employers to provide transportation, or the means to travel from and to work for employees, either through commute solutions or transportation allowances. In Saudi Arabia, employers are expected to provide transportation for female workers, to ensure their safety during commutes. In Kuwait, labor laws don't require employers to provide transportation, but these services are still offered by companies in industrial areas to attract and retain talent.

Section 2.5.2

Challenges

- **Traffic congestion:** Due to the abundance of private vehicles, major cities such as Doha, Riyadh, and Dubai have a major traffic problem.
- **Public transport:** Despite steady progress in the last decade, most areas in the big cities are only accessible through private vehicles, making transportation expensive.
- **High temperatures:** Summers in the Middle East can be extremely hot, with temperatures up to 50 degrees Celsius. This can make walking or even waiting for public transport a health risk.

Section 3

The Future of Commuting



While each region faces challenges that are unique to its sociocultural, demographic and geographical context, there are patterns that tie them all together. Traffic congestion is a glaring problem in each of these regions, while poorly designed public transport infrastructure further highlights the need for a long-term solution.

As sea levels rise, and global temperatures increase, it's fair to

suggest that extreme weather will not be a problem confined to the Middle East alone. There's an urgent need for commuting solutions that get to the root of the problem. The commuting solutions of the future need to take a three-pronged approach: reducing traffic congestion, enhancing employee safety, and reducing the global carbon footprint. To do so, it's important to use the best of modern technology with the best practices in sustainability.



Section 3.1

The Green Shift

Across the globe, there's a marked preference for more sustainable transportation options. Spurred by the urgency of the climate crisis and the need to reduce carbon emissions, companies are recognizing the value of providing such transportation solutions to their employees.

Promoting sustainable practices also helps businesses to cultivate a positive reputation and attract better talent. From encouraging employees to carpool, use public transport, or providing incentives to do so, businesses around the world are making concerted efforts with regards to sustainability.



Section **3.2**

The Role of Technology in Commuting Solutions

Technology has played a central role in catalyzing the transformation of employee commute solutions worldwide. Technological advances have enabled businesses to handle their transportation needs more efficiently and in a cost-effective manner. The pandemic has also accelerated the need for more flexible transportation solutions.

For white-collar workers, the use of technology in employee commuting solutions primarily focuses on flexibility, efficiency and safety. Workers with dynamic schedules require a flexible commuting solution.

Real-time tracking technology is also a highly beneficial development, as it offers constant visibility over employee location. This improves employee safety and efficiency, and allows for better commuting schedule management. Predictive analytics offer advantages to both employers and employees, allowing them to reduce commute time and improve the employee experience.

For blue-collar workers, given their consistent schedules, transportation solutions need to be consistent, efficient, and dependable. Technological advancements in route optimization and scheduling play a significant role here, as they ensure timely pick-ups and drop-offs and reduce waiting times. The use of real-time tracking is also beneficial for blue-collar workers as it enhances safety and enables them to prepare for shifts accordingly.

Let's now explore how the regions we've explored in this whitepaper are merging the latest technologies with sustainable practices to provide more efficient commuting solutions.



Section **3.2.1**

India

As workplaces move towards hybrid models, the need for elastic demand is steadily increasing, with companies leaning towards aggregator-led supply partners. There is a preference for established players in the transportation scene, as companies seek out financially stable partners to avoid risk. The pandemic has also accelerated demand for technology driven solutions, with a focus on employee safety and streamlined operations. In the wake of the climate crisis, there's also a trend for demanding more environmentally friendly vehicles.



3.2.2 Section

Philippines

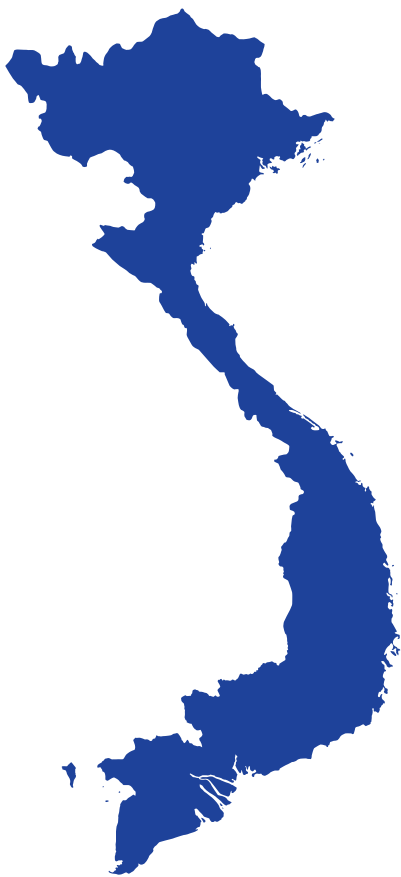
In the Philippines, eco-consciousness is seeing jeepneys and shuttle buses being phased out by e-jeepneys and EV buses. To combat the traffic congestion problem in the metropolitan cities such as Manila and Cebu, ride-sharing services have become more popular. These trends have resulted in a less polluting commute and have also led to a surge in the demand and usage of shuttle services. Shuttle services are the most popular mode of employee transportation and is used by 95% of companies, leaving only 5% to cabs.



Section **3.2.3**

South Africa

As the country continues to battle with an inefficient public transport system, the role of businesses in providing sustainable commuting options becomes more important. In South Africa, a new government mandate requires 60% of new cars to be electric vehicles (EVs) by 2050. In response to the regulation, companies are making a sustained push towards transportation systems that have lower operating costs and a reduced carbon footprint. As EV infrastructure improves across the country, it's likely that there will be increased adoption of EVs for corporate commuting.



3.2.4 Section

Vietnam

In Vietnam, the trend is heavily inclined towards sustainability and eco-friendly commuting options. Both employers and employees are favoring sustainable commute options such as bicycles or electric scooters due to increased environmental awareness.

Some companies, are even providing subsidies or allowances to employees who choose to cycle to work.

Section **3.2.5**

Middle East

A growing trend in the Middle East region is public-private partnerships (PPP) for public transport, spurred by congestion problems in major cities. Given the major reliance on fossil fuels, there's also a push in the region to transition towards greener forms of energy. This trend is particularly prominent in the UAE, where the government has set ambitious targets for the adoption of EVs. Many Middle Eastern cities, such as Dubai and Doha, also have a well-connected metro system that provides a lifeline to hundreds of thousands of employees every day.



Section 4

Conclusion

This whitepaper delves into the changing landscape of employee commutes around the world. For companies, providing commuting solutions is no longer a perk, but an imperative. It's clear that the future of employee commutes will be shaped by two things: technology and sustainability.

Technology's influence on corporate commuting is unequivocal, as seen in the case of MoveInSync.

This innovative solution showcases how technology can bring efficiency and enhanced management to the commute operations, paving the way for the digital revolution in this domain.

The future of corporate commuting looks exciting, marked by emerging technologies, elastic fleet supply, and a shift towards green vehicles. As we navigate the world of tomorrow, it's increasingly likely that the convergence of technology and sustainability will redefine the employee commute; shaping it into a tool for employee satisfaction, operational efficiency and environmental responsibility.



About MoveInSync

MoveInSync is the world's largest employee commute platform with a user base of over 500,000 employees across 300+ clients in 37 countries. Headquartered in Bengaluru, India, MoveInSync has been a pioneer in the commute space since 2009, offering reliable, safe and sustainable commute solutions.

