

Annual cost of congestion will increase 50% by 2030

www.traffictechtoday.com, 16 October 2014



New research shows that the combined annual cost of traffic gridlock in Europe and the USA will soar to US\$293.1bn by 2030; almost a 50% increase from 2013, driven mainly by urban population growth and higher living standards as a result of increased GDP per capita. Over this period, the total cumulative cost of traffic congestion for these economies is estimated to be a staggering US\$4.4tn. The figures come from a new study by the UK-based Centre for Economics and Business Research (CEBR) in conjunction with Inrix, into the future economic

costs of gridlock in France, Germany, the UK and the USA between 2013 and 2030. Of the four countries studied, the UK economy will see the largest overall increase in the annual cost of congestion, rising from US\$20.5bn in 2013 to US\$33.4bn in 2030 (63% increase), followed by the USA (50% increase), France (31% increase) and Germany (31% increase). The cost of congestion is calculated from direct costs, such as the value of fuel and the time spent in gridlock rather than being productive at work, and indirect costs, where higher freighting and business fees from company vehicles idling in traffic can pass on additional costs to household bills.

In terms of the cost of congestion for individual households country-wide, CEBR found that road usage, measured as the total passenger vehicle miles travelled per annum, is expected to increase on average by 19% across the four countries. This is expected to result in a 6% decrease in the average congested speed during peak periods, thereby increasing the time wasted in traffic congestion and increasing the overall individual cost of gridlock to households.

The study concluded that coupled with the return of growth to the western economies and the continual rise in urban populations, these findings anticipate a significant increase in the demand for road travel, which in-turn will increase congestion and its associated costs year-on-year up to 2030. The different increases across the advanced economies studied can be explained by the different mix of changes in the demand-side trends of road usage, which has different impacts on the amount of wasted time spent in congested traffic. The key drivers of demand for road usage are population growth, GDP per capita growth, changes in the cost of motoring and car ownership.



“This report shows that advanced economies could be heading for ‘car-mageddon’,” said Kevin Foreman, general manager of geo-analytics at Inrix. “The scale of the problem is enormous, and we now know that gridlock will continue to have serious consequences for national and city economies, businesses and households into the future. Improving public transport infrastructure may provide more choice for travelers, but it won’t solve the problem. Technology innovations like multi-modal routing and real-time traffic in connected cars and on mobile devices should be adopted more widely, helping to create smarter cities worldwide.”