European Road Freight Transport 2020

Market Report Brochure

An examination of key trends in road freight operations whilst investigating the impact of COVID-19 on the market.

Key Findings:

- The European road freight market is estimated to grow by a CAGR of 2.2% to 2024
- In 2019 the domestic market grew by 1.4% in real terms, whereas the international market grew by just 0.4% the first time the domestic market has outpaced international road freight growth
- COVID-19 is arguably a catalyst for the transition to the 'spot market' as shippers look for a way to drive down costs
- Ti's new FTL/LTL splits show that LTL will continue to take a greater share of the market up to 2024 but that this trend will begin to slow
- Digital road freight start-ups are unbundling traditional road freight operations and capturing key aspects of the value chain
- Top European road freight providers continue to operate with diverse strategies and operating networks and fleets, but a few asset heavy players are becoming increasingly influential

What does this report contain?

- Market size and growth for 2019-2024, plus COVID-19 impact analysis
- Market data analysis including volumes, road freight pricing analysis, cost factors
- New FTL/LTL market size segmentation and forecasts
- Effects of Covid-19 on the market, including 2020 growth projections
- Logistics provider profiles, including comparative analysis of operations strategies, finances, technologies used and their implementation
- Digital road freight analysis with value proposition maps

Key Questions the report asks and answers:

- How has COVID-19 affected road freight operations, and how is the impact of COVID-19 expected to alter the future road freight landscape?
- How large is the European domestic and international road freight market and how fast is it growing?
- Despite COVID-19, what are the current market opportunities and how can they be captured?
- What approaches are the leading road freight operators taking towards technology? How has technology been untilized by road freight operators as a response to the pressures of COVID-19?
- What strategies are leading logistics providers employing? And how do their strategies compare?
- How is the market split between FTL & LTL and how fast is each growing?

Find out more at: www.ti-insight.com/product/european-road-freight-transport

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A Sneak Preview:

2.0 The European Road Freight Market

2.1 Market Structure

The European road freight market is not one single market. Rather, it is divided up into a number of different segments that may overlap, yet operate in distinctly different patterns and serve different customer types.

The big players in the market are the international network transport providers. These are generally described as 'less-than-trailer load' providers (providers which consolidate and group shipments of various customers to form larger loads), although most of them also provide 'full-trailer load' services. Other large providers, such as TNT/FedEx, are usually regarded as 'Parcel Express' carriers. Fundamentally, these companies are characterised by the use of extensive pan-European networks of cross-docks that enable truck capacity to be optimised.

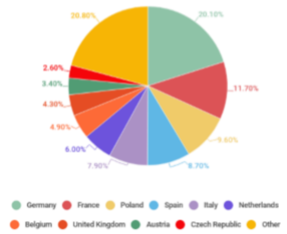
Establishing such networks is demanding in terms of capital, increasing the entry barriers to the sector and making it very difficult for smaller companies to compete. Essentially, these companies offer economies of scale to complex patterns of freight. The offer of higher frequency services and small batch sizes, at an economic cost, is highly attractive and these types of services are gradually winning market share. These companies tend to be less active and competitive in national and regional markets, where small to medium-sized carriers are better able to compete.

Generally, large networked providers use smaller truck operators as sub-contractors, to supply trucks for their system. In many cases, over 90% of vehicle capacity is provided by these sub-contractors. The attraction of using sub-contractors is the ability to work assets hard, as well as flexibly. In effect, it exploits the easy availability of trucks and the willingness of smaller companies to get poorer returns on their assets.

Figure 2.1 European road freight market structure

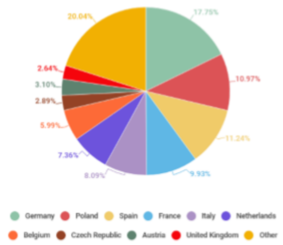
Medium-sized trucking companies are markedly different. Although they may offer networked services covering smaller geographies, the structure of their business is often focused on 'full load' services. These tend to serve medium to large customers, with a demand for services of a higher quality and larger scale. For example, large OEMs may have extensive supply chains that require a dedicated service which is sufficiently sophisticated to provide visibility in consignment tracking or integrity of materials handling.

Figure 6.3 Largest International Road Freight Markets by Destination of Freight (m tkm)



Source: Eurostat

Figure 6.4 Largest International Road Freight Markets by Origin of Freight (m tkm)



Source: Eurostat

Note: The chart measures the top origin markets for international European road freight (as measured in tonne km (tkm)) among EU28 countries plus Norway and Switzerland. Only transports made by EU28 registered hauliers are included (data is not available for all nationalities).

Thus, assuming the figures are completely accurate otherwise, they are under-estimates of the total tkm loaded in any country. However, this discrepancy is thought to be negligible for the vast majority of countries. The countries likely to be most significantly affected are Norway and Switzerland, as freight transported by Swiss and Norwegian registered hauliers is not counted.

This report is perfect for:

- Global manufacturers
- Banks and financial institutions
- Investors
- Supply chain managers and directors
- Logistics procurement managers
- Marketing managers
- Knowledge managers
- All C-level executives

Have a question? Contact Michael Clover, mclover@ti-insight.com or call +44 (0)1666 519907

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