

European Road Freight Rate Benchmark Q3 2020: Rates increase amid improving demand picture

Bath, November 4th 2020 - Ti and Upply's European Road Freight Rate Benchmark Q3 2020 shows that rates have increased alongside the recovery in Europe's economic activity.

- The Q3 2020 European Road Freight Rate Benchmark was €1,102, up 1.2% on Q2 levels
- With economies opening up post lockdown, road freight demand rebounded sharply, pushing rates higher
- However, the benchmark rate was down year-over-year for the fourth consecutive quarter
- Major trade lanes showed a mixed performance in rates over the quarter

With restrictions on everyday life gradually lifted into Q3, industry and retail saw a sharp uptick in volumes compared to the height of lockdowns. As a result, demand for international volumes quickly improved, pushing rates higher across nearly three quarters of trade lanes.

Carriers had initially reacted to the crisis by removing capacity from the market. They were able to take advantage of government job retention schemes to reduce the hours of drivers either entirely or just partially. **With demand improving in Q3, capacity also returned to the market this quarter**, keeping a lid on the increase in road freight rates.

The new research investigates how the demand picture improvements have affected rates in individual countries, finding Germany to show the strongest correlation with the improving demand picture.

The recovery was seen clearly in the Duisburg-Warsaw lane, where rates improved by 2.7% against Q2, continuing a strong long-term upward trajectory. However, on Europe's other major trade lanes, including Madrid-Paris and Lille-Duisburg, the picture was mixed.

As in previous iterations, the report looks at how prices vary by journey distance. In particular, three lanes; Paris-Birmingham, Duisburg-Birmingham and Duisburg-Milan, are investigated to understand why rates exceed the prices suggested by the curve of best fit.

Rates into and out of Europe's major import and export hubs are also examined to see what the rate dynamics tell us about the recovery in Europe extra-regional trade volumes.

Finally, the report studies **Duisburg-Vienna, which showed a particularly strong increase in rates in Q3**, whilst looking ahead at Paris-Warsaw to consider whether or not it will see its normal peak season bounce.

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Andy Ralls, Quantitative Analyst at Ti, comments:

"The pace of recovery has been a key driver in the improvement in rates this quarter. It has also enabled road freight operators to increase capacity, which in turn has kept rates from rising much further. The market still does not resemble the pre-COVID 'normal' though, with uncertainty persisting. Carriers on thin margins will often seek to hold prices up in these circumstances."

Thomas Larrieu, Upply's Chief Data & Research Officer, comments:

"While volumes decreased by 60% in certain countries in April, we anticipate a lower impact of the second lockdown decided in several European countries, since more businesses remain open this time. For Q4 2020, we forecast flat prices and even increasing ones on certain corridors."

About the European Road Freight Rate Benchmark

The European Road Freight Rate Benchmark report is designed to provide greater visibility of freight rate development across Europe. [Click here to download the Q3 2020 edition.](#)

The Webinar features Thomas Larrieu, Upply's Chief Data & Research Officer; William Bégurier, Road Transport Expert at Upply; Andy Ralls, Quantitative Analyst at Ti; and Michael Clover, Ti's Head of Commercial Development, discussing the data trends and drivers behind:

- Weekly road freight rate development across top international European lanes
- Rate development on key high volume lanes
- Rate development on key import/export lanes
- Lanes to watch for the future

[Click here](#) to replay the webinar.

If you have any questions about the report, please contact Gwendydd Beaumont, Upply's Communication Manager - gwendydd.beaumont@upply.com.

If you want to share the PDF report, please share [this link](#).

About Upply

Launched in November 2018, Upply is a digital marketplace dedicated to transport and supply chain professionals. Upply is redefining the fundamentals of the market by offering digital solutions to overcome the volatility of transport prices and a marketplace that directly connects shippers and freight carriers. In keeping with its vision of a world where the supply chain must be simple and fluid, Upply allows professionals (carriers, shippers, consulting firms, freight forwarders) to overcome the opacity of information and the imbalance between supply and demand on the market. Upply employs data scientists, logistics and IT professionals, and digital experts. The company is based in Paris.

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About Transport Intelligence (Ti)

Ti is the world's leading source of market intelligence for the logistics and road freight industry, providing data and analysis through its European Road Freight Transport report series, Global Supply Chain intelligence (GSCI) database and expert consultancy services.

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