

European Road Freight Rate Benchmark Q4 2020: Further COVID waves weaken rates

Bath, UK, February 3rd 2021 - Ti and Upplly's European Road Freight Rate Benchmark Q4 2020 shows a drop in freight rates compared to the summer months as new restrictions and lockdowns weakened demand levels.

- The Ti & Upplly European Road Freight Benchmark rate for Q4 2020 fell 1.0% against Q3
- The resurgent pandemic harmed demand levels, ultimately pushing rates down
- Stockpiling ahead of Brexit meant UK rates grew by 1.1% year-on-year in Q4, contrasting against non-UK rates, which were 1.8% lower than prior year levels
- With four full years of benchmark data, 2020 saw the first annual rate decline

Following a flurry in activity during Q3, **additional public health measures designed to slow the spread of the pandemic hampered the road freight recovery in Q4**. This demand slowdown led to lower rates, both compared against Q3 2020 and Q4 2019.

There were some key differences compared to the first wave of the pandemic. Manufacturing facilities largely remained open, **enabling related road freight activity to continue**. These base levels were part of the reason why government support schemes, such as furlough, were not used to the same extent as before. We also did not witness the same painful border delays or driver displacement as had occurred when the pandemic was first spreading across the continent.

Brexit played a key role in influencing rates over the final quarter. Stockpiling prior to the end of the transition period was a feature, necessitating additional international road freight movements across the English Channel. UK rates grew by 1.1% year-on-year in Q4, contrasting against non-UK rates, which were 1.8% lower than prior year levels.

However, like elsewhere in Europe, **demand in certain sectors, such as retail, suffered** amidst further pandemic-induced restrictions. In addition to low diesel prices, this was key in pushing the benchmark rate down in the final quarter of 2020.

The slowing in demand was influential in shaping Europe's major trade lanes, including Madrid-Paris and Duisburg-Lille. The same was largely true for Warsaw-Duisburg, although Q4 only served as a minor blemish against higher rates seen over the first nine months of the year.

Other lanes witnessed particularly sharp declines though, including Milan-Warsaw with a 16.9% fall year-on-year. Reduced congestion and more lenient HGV restrictions were key contributors to this sharp decline.

Turning to 2021, Brexit looks set to be a key influence in rates as the UK and EU settle into their new trading relationship. **The report also looks at how the COVID recovery, diesel prices, sector changes, the Mobility Package implementation and supply shortages could influence rates** across Europe in the year ahead.

With Rotterdam-Duisburg bucking the trend with a rate increase in Q4, the report asks whether the improvement can be sustained in the months ahead. This looks contingent on the shape of Germany's COVID recovery and the extent to which Germany relies on China to aid its manufacturing rebound.

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Andy Ralls, Quantitative Analyst at Ti, comments:

"Greater stability in road freight supply has been a contrast with the first wave of the pandemic, forcing carriers to accept lower prices as demand slowed. However, it looks as if rates will start to increase in the near future, as vaccines are rolled out, diesel prices are likely to rise and Brexit bureaucracy costs are factored into prices."

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

"While road transport prices decrease in 2020, we anticipate a steady recovery in 2021 driven by an expected increasing transport demand from Q2 2021. Key factors to monitor: fuel price, EU economic growth and balance between transportation offer and demand."

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 Q4 2020 edition.](#)

The Webinar featured Thomas Larrieu, Upplly's Chief Data & Research Officer; William Béguerie, Road Transport Expert for Upplly; 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
- Brexit impact on UK rates
- Lanes to watch for the future

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

If you want to share the PDF report, please share this link: <https://go.upply.com/en-gb/transport-intelligence-upply-download-q4-2020>

About Upplly

Launched in November 2018, Upplly is a digital marketplace dedicated to transport and supply chain professionals. Upplly 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, Upplly allows professionals (carriers, shippers, consulting firms, freight forwarders) to overcome the opacity of information and the imbalance between supply and demand on the market. Upplly 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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