

European Road Freight Rate Benchmark Q2 2021: Rates remain on an upward trajectory as Europe recovers from the pandemic

Bath, UK, August 4, 2021 - Ti and Upply's European Road Freight Rate Benchmark Q2 2021 shows prices are being pushed up due to rising demand levels and supply chain disruption.

- The Q2 2021 European Road Freight Rate benchmark was **€1,147, up 3.2% year-over-year or 0.4% quarter-on-quarter.**
- **UK outbound rates are 16.8% higher year-on-year**, with carriers pricing in disruptive new **Brexit** procedures, compounded by an increasingly acute **driver shortage problem.**
- **Duisburg to Rotterdam rates grew 5.3% compared to Q1**, bolstered by recovering global **import demand and congestion around Northern European ports.**

In spite of ongoing pandemic-related disruption, economic activity levels continued to improve in the second quarter. Vaccine roll-outs are enabling **governments to reopen their economies**, whilst the rebound in consumption after the first wave of the pandemic remains strong. In its Summer Forecast, the European Commission sharply upgraded its GDP forecast for the EU to 4.8% from 4.2% in the Spring. This situation is leading to **a positive development in road freight demand levels, leading to upward pressure on rates.**

Supply chain disruption is increasingly influencing road freight rates. Due to a shortage of semiconductors, manufacturing production growth is slowing in some areas. This is dampening the rate momentum on certain lanes, such as Warsaw-Duisburg. Meanwhile, **congestion in Northern European ports appears to be increasing turnaround times for hauliers**, which looks to be being priced in by carriers. On Duisburg-Rotterdam, rates grew 5.3% quarter-on-quarter.

UK supply chains are showing more acute signs of strain. **Rates remain elevated after their jump in Q1 due to the administrative burden around new trade rules.** The loss of EU hauliers due to new immigration rules has served to squeeze capacity further. The UK's outbound lanes, which are generally lower priced and in which goods are subject to more stringent EU import checks, are where the added disruption is being priced in.

Andy Ralls, Quantitative Analyst at Ti, comments:

"The strong recovery in economic activity and supply chain disruption are the key drivers pushing rates higher. Over the coming months, demand levels are likely to increase, although perhaps less sharply than in Q2. In terms of disruption, some short term issues might subside, such as a shortage of transport equipment and intermediate goods. However, issues such as driver shortages remain problematic over the longer term. These pressures are likely to keep rates high over the remainder of 2021."

Thomas, Upply's Chief Data & Research Officer, adds:

"For the end of the year, the European road transport market will most certainly remain under pressure. The increase in demand in Europe in Q3 and Q4 2021 with Black Friday and the festive season will certainly push up transport prices in a market where capacity will be in high demand. Terminal congestion may lead to even higher and more volatile rates on routes from European ports. However, the impact of the Delta variant could change the scenarios in case of further drastic restrictions."

About the European Road Freight Rate Benchmark

The European Road Freight Rate Benchmark report is designed to provide greater visibility of road freight rate development across Europe.

The report is produced by Thomas Larrieu, Upply's Chief Data Officer; Boris Pernet, Upply's CEO; 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

If you wish to distribute the full PDF report, please share this link: <https://go.upply.com/en-gb/ti-upply-download-q2-2021>

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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Media Contact Upply

Gwendydd BEAUMONT
Communication Manager
+33 (0)6 10 72 98 57
gwendydd.beaumont@upply.com

About 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.

ti-insight.com

Media Contact Ti

Michael CLOVER
Head of Commercial Development
+44 (0)1665 519907
mclover@ti-insight.com