



# Freightex European Road Freight Rate Index

A quarterly analysis of European road freight rates provided by Transport Intelligence and Freightex

February 2013

## A weak, but volatile Christmas and New Year

*Much lower price rises than the seasonal norm, yet certain markets saw higher levels of volatility.*

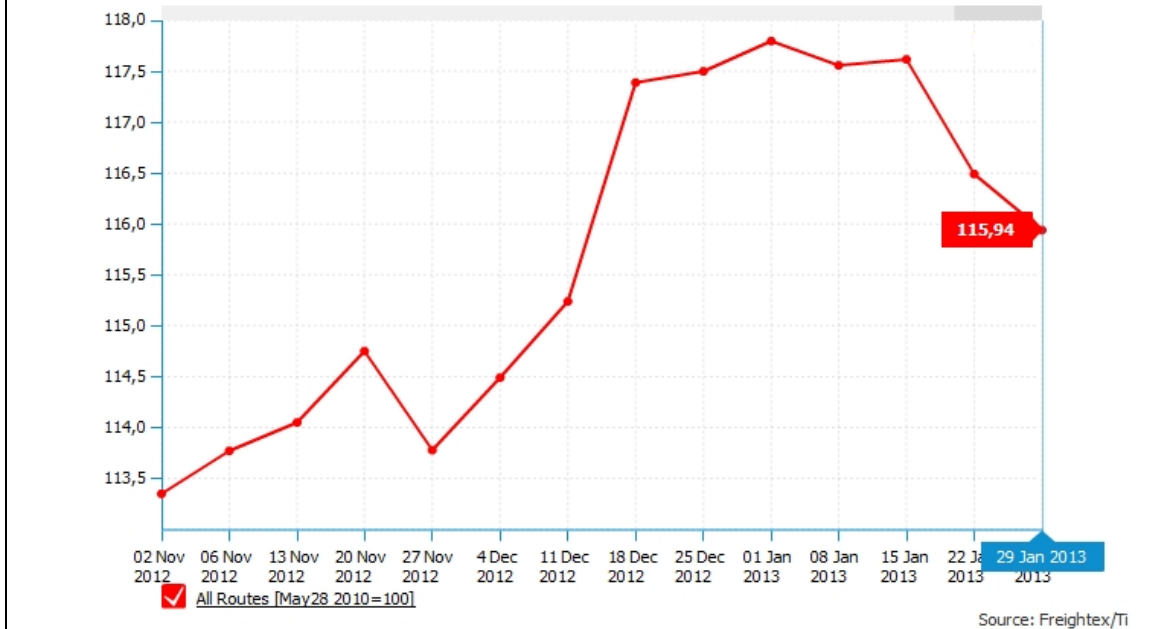
According to the European Road Freight Rate Index compiled by Transport Intelligence, utilising data provided by Freightex, road freight rates rose from a low of 113 points in November to a high of 117.8 on January 1st.

The level of price rises in Europe over the holiday period was markedly less than seen in previous years. The market appeared to falter around late November, leaving a limp recovery until Christmas.

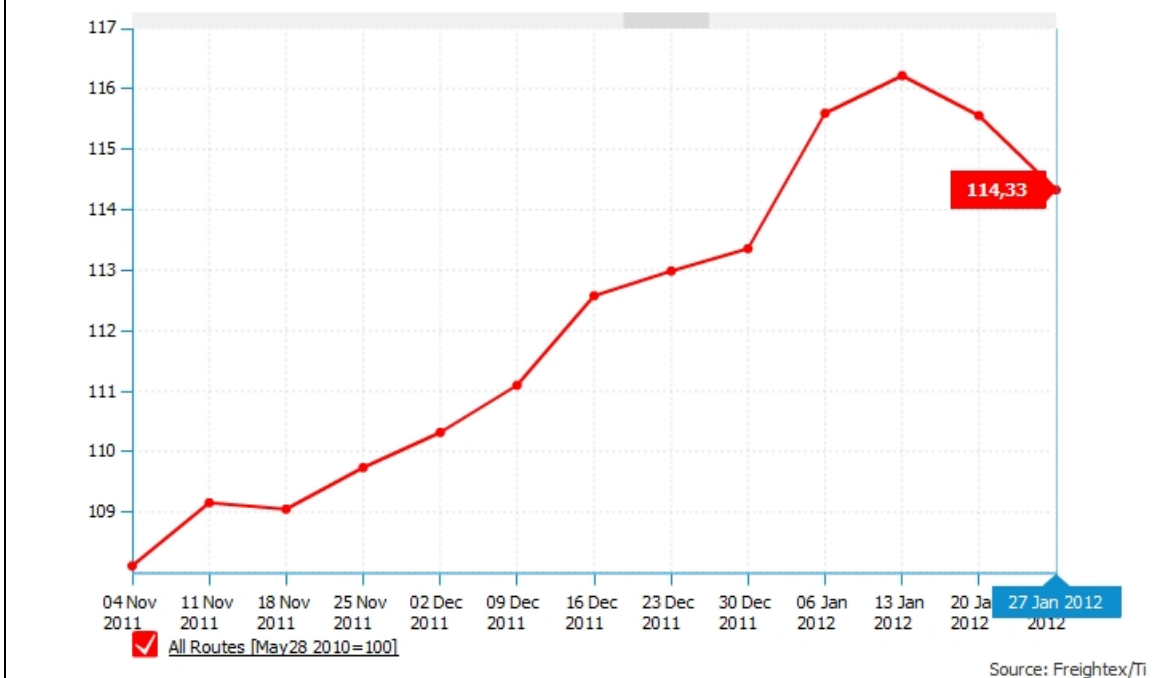
January was marked by stability over the first couple of weeks, followed by an unusually sharp fall in prices. The nature of the fall in January was in-keeping with the volatility seen in the period running-up to the holiday season.



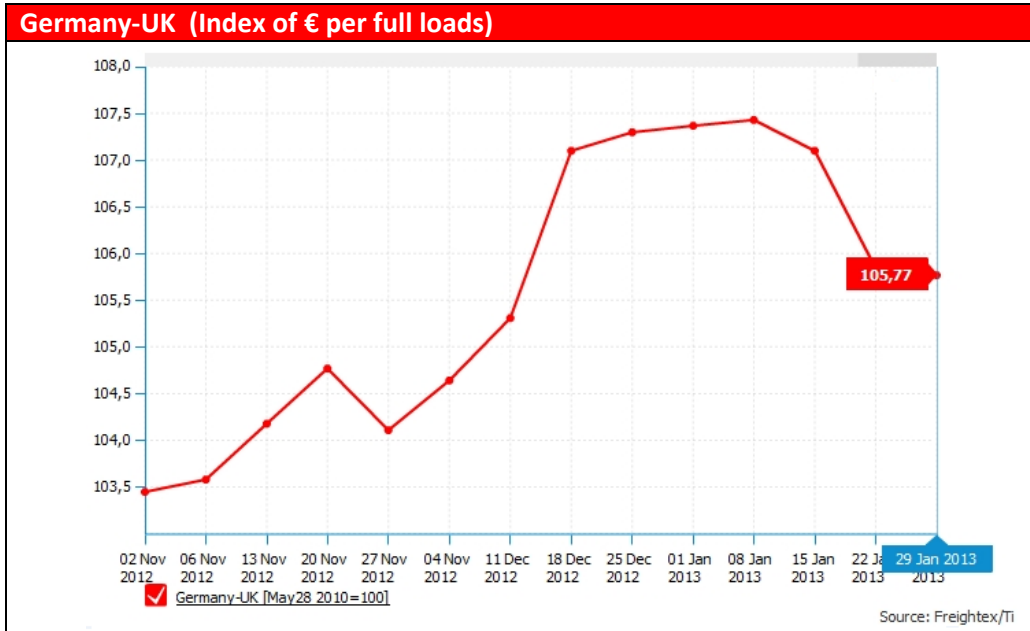
**All Routes Nov 2012-Jan 2013 (Index of € per full loads)**



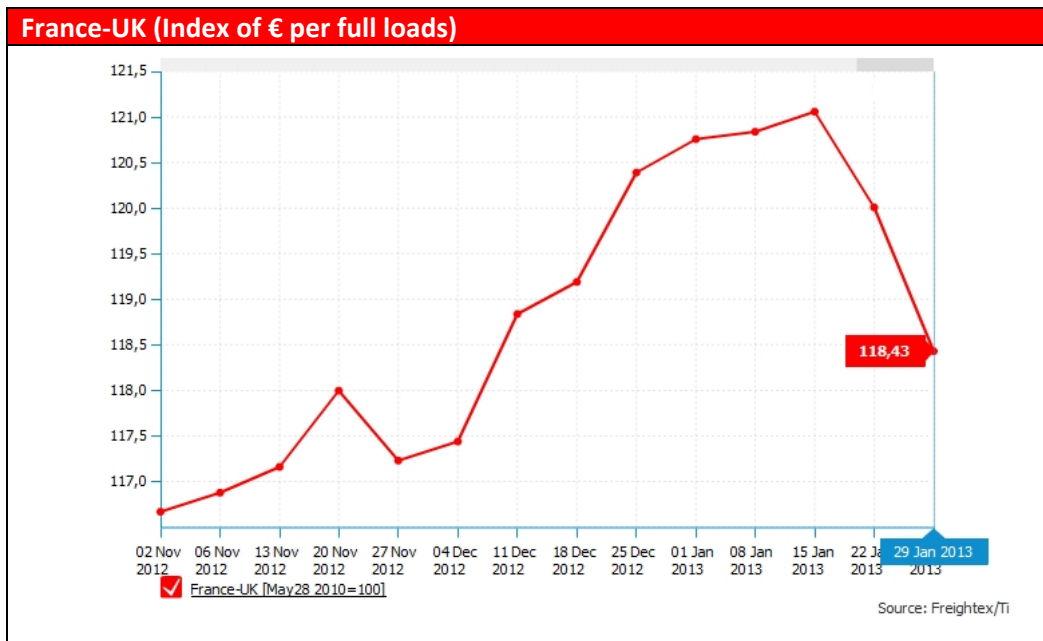
**All Routes Nov 2011-Jan 2012 (Index of € per full loads)**



## Individual Markets

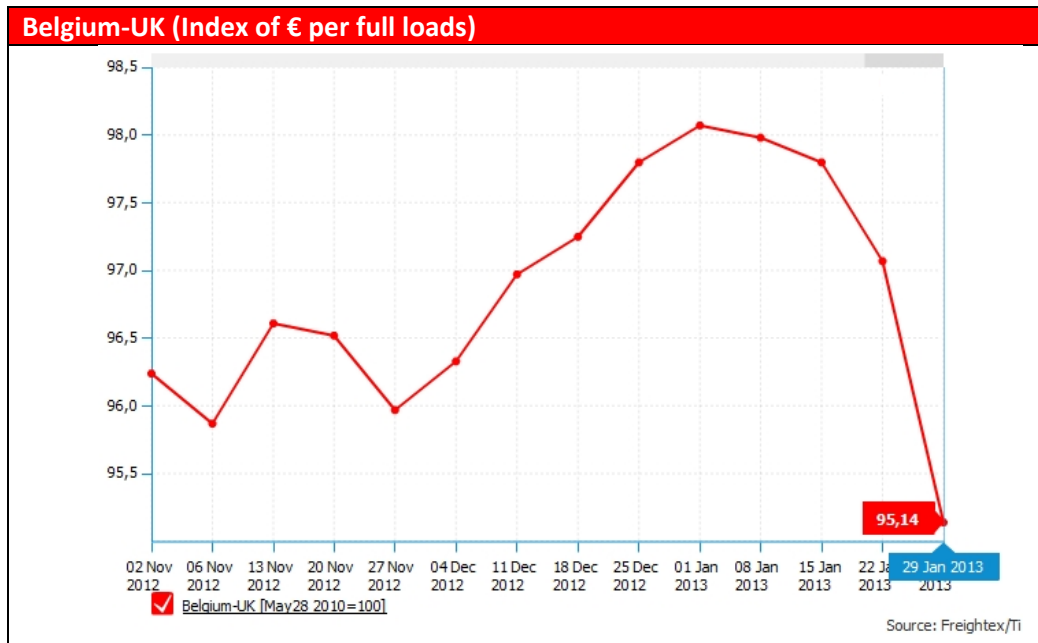


Although trends in Germany mirror those seen elsewhere in Europe, for example the ‘spike’ in late November, volatility was less significant and the rise in rates was also less pronounced. This is exemplified by the more marginal increase just before Christmas. This might be described as quite a smooth performance and suggests a greater level of confidence. However, the eventual fall in late January was quite sharp. For January, market sentiment has been quite negative. Rates have weakened, in particular due to poor demand for exports to the UK, but also across the market.





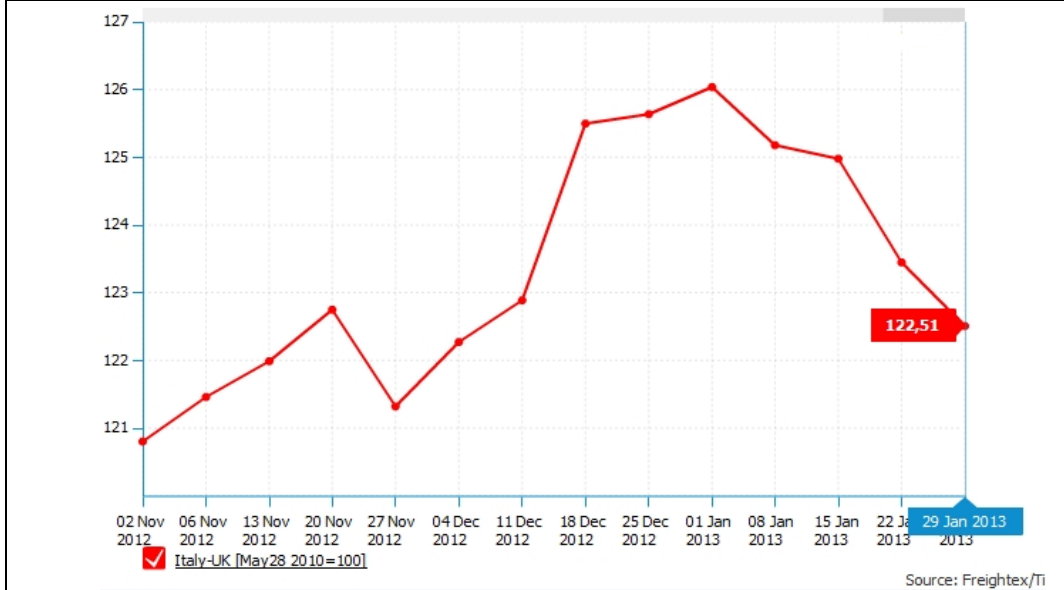
France has reported slightly higher price increases than Germany - by 1 index point - over the period. French routes to the UK showed slightly more volatility over the period, with a sharper fall from the Christmas high and a more sustained fall in prices from early January.



Rapid deterioration in January followed a rather peculiar period for Belgium. Exaggerated volatility in the early part of November did not get in the way of a steady Christmas rise. Initially, the fall in January was smooth, but rates declined more swiftly as the month progressed. Price increases during the three month period have been in a more narrow range than either France or Germany, at just 3 index points. Apart from the early November spike, Belgium’s smoothness is more in line with trends seen in Germany rather than in France.

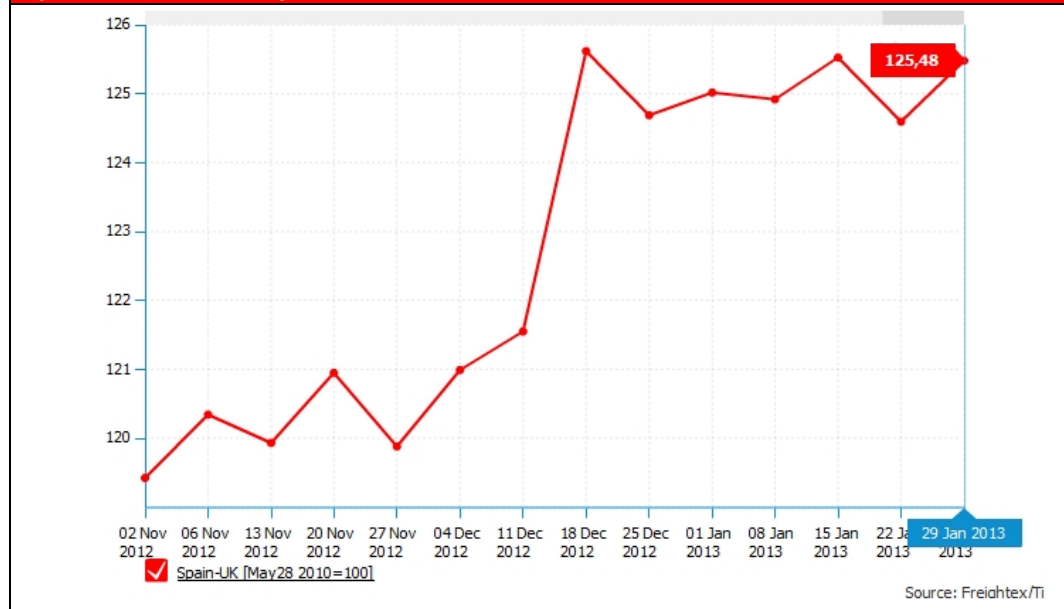
Reports from the market suggest the slow rate of traffic in both directions is making truckers “desperate” for loads, with the consequent sharp fall in prices. However, the general difficulty in the market is deterring truckers from serving the region and this could put a brake on the fall in prices in the near future. The market has been described as being “very up and down over the last few months”.

**Italy-UK (Index of € per full loads)**



Italy has experienced a larger range of price variation throughout the quarter. Although the early November ‘spike’ was larger than other markets, the price rises into Christmas were fairly smooth. In addition, prices have fallen away consistently through January.

**Spain-UK (Index of € per full loads)**



Markets in the Iberian Peninsula have been severely distressed during the quarter. Although price increases have not been exceptional, there has been markedly more volatility in Spain and Portugal than in France or Belgium. Christmas came early in Spain, peaking on December 18th, then fell quickly only to rise in mid-January. The rise in mid-January was completely out of character compared to the rest of the European market.

Reports from the Iberian market suggest that the structure of the market has changed due to its depressed state, with Spanish truckers now looking for all types of business across Europe “rather than just their own markets, which they have only done historically”.

## Summary

From November to January, European road freight rates were weak, but volatile. There appears to have been more of a pronounced ‘Christmas rush’ as the normal rise in prices was compressed into a shorter time period.

However, compared to both 2011-2012 and 2010-2011, the price increase was markedly smaller. One might speculate there might have been less demand over Christmas or that overall confidence has been weaker, which might have led to tighter inventory management and a rush to ‘stock-up’ later in the month.

Certain markets were fairly stable with rather subdued growth. Germany is a good example of this. Market players reported slow, but steady demand from the retail sector and more than ample supply.

In contrast, the road freight market in Spain has been particularly distressed, with hauliers forced to change the way they do business. Hauliers in the country are moving away from just carrying their traditional export/import loads and looking towards loads travelling cross-border across Europe.

The European market overall is experiencing sustained weak demand and this may be having the effect of deterring hauliers from looking work for on certain routes. With less capacity available, prices may be supported over the short to medium term.

## Methodology

The statistics on which this analysis is based are taken from FreightEx's exchange activities and reflect the prices paid/bought for actual loads. The Consolidated Freight Index is created through the aggregation of the data on individual routes but not on a weighted basis. The routes are selected for the quality of data. Routes that do not have data of sufficient data quality- such as size of sample or consistency- are not used.

## About FreightEx

Since 2001, Freightex has worked to impress its many customers across Europe with its high levels of service and efficient transport solutions. We specialise in cross-Channel routes where our team of experienced freight professionals use their unique knowledge to provide our customers with excellent prices and excellent service levels. We embrace technology to optimise traffic flows and to ensure that we use available truck capacity to maximum effect. See the Freightex Service Promise. We have the flexibility to manage spot loads or long term contracts – every customer has a dedicated account manager who is committed to managing their work with the greatest care and responsibility. The company's international office is ideally situated in the Port of Dover and staffed with multinational freight specialists. It has three further regional UK offices. It is a member of the British International Freight Association (Bifa) and the Chartered Institute of Logistics (CILT).

[www.freightex.com](http://www.freightex.com)

## About Ti

Transport Intelligence (Ti) is one of the world's leading providers of expert research and analysis dedicated to the global logistics industry. Utilising the expertise of professionals with many years of experience in the mail, express and logistics industry, Ti has developed a range of market leading web-based products, reports, profiles and services used by all the world's leading logistics suppliers, consultancies and banks as well as many users of logistics services.

[www.transportintelligence.com](http://www.transportintelligence.com)

## More information

For more information about the Freightex European Road Freight Rate Index contact Thomas Cullen: [tcullen@transportintelligence.com](mailto:tcullen@transportintelligence.com).

Updated weekly, interactive European Road Freight Rate Index charts are available at <http://www.transportintelligence.com/graphs/>



*All rights reserved. No part of this publication may be reproduced in any material form including photocopying or storing it by electronic means without the written permission of the copyright owner, Transport Intelligence Limited.*

*This report is based upon factual information obtained from a number of sources. Whilst every effort is made to ensure that the information is accurate, Transport Intelligence Limited accepts no responsibility for any loss or damage caused by reliance upon the information in this report.*

*© Jan 2013 Transport Intelligence Ltd*