



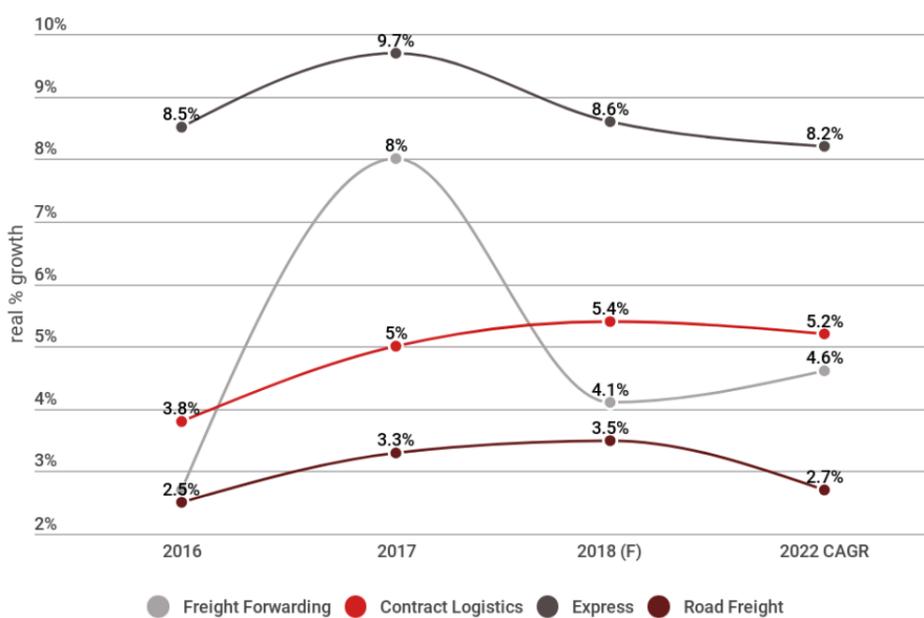
Market Sizing Mid-Year Review

Foreword by Nick Bailey, Head of Ti Research

Today's logistics market is changing so fast that higher frequency market growth data and more responsive forecasts are required to ensure your strategies can be tailored to current conditions and future changes.

In the most extreme cases, market growth rates are now swinging from 10% to 5% in the space of 6-months.

Ti's Mid-year Review provides H1 growth rates and 2018 projected market sizing for Freight Forwarding, Contract Logistics, Express and Road Freight and is available to all GSCi subscribers - to find out more or book your free online demonstration click here.



Change on this scale, and at such speed, must be accounted for by strategists at LSPs, entered into models and analysis within financial institutions and considered by consultants if their work is to remain aligned with the market reality.

Ti's latest Mid-year Market Sizing Review quantifies the change in the market with data for the first half of 2018, short term projections for the full year 2018 and the latest forecasts through to 2022, so you can optimise your strategy to changing conditions, capitalizing on new opportunities and reacting to risks laid bare in the global, regional and country level data.

This document provides:

- A snapshot of Freight Forwarding, Contract Logistics, Express and Road Freight Market Sizing
- Data available
- Segmentation of data available
- Data showing the growth of the markets

Have a question?

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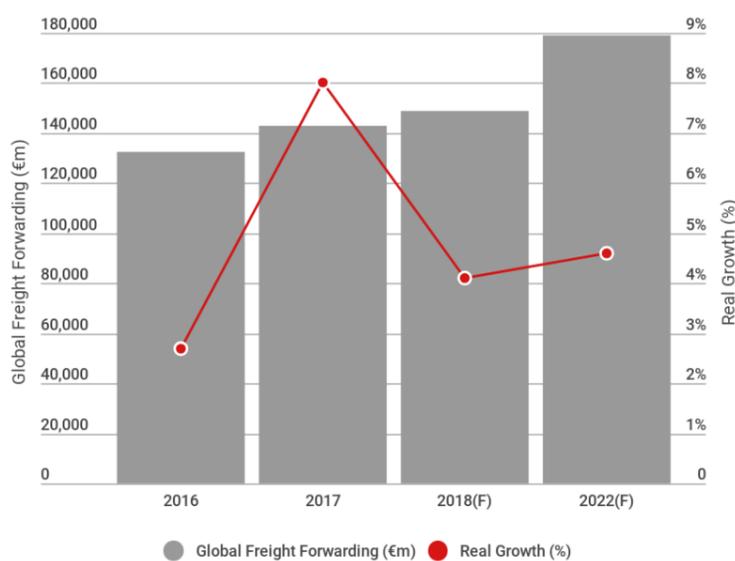


Freight Forwarding

The global freight forwarding market grew at 4.9% over the first half of 2018 and Ti's projections show that the market size will reach €148.74bn in 2018 (at 2017 prices and exchange rates), representing real terms growth of 4.1% on 2017.

The figures show that the freight forwarding market is still growing strongly, although the market has

dropped off from a peak growth rate of 8% in 2017, as the high volumes caused by the inventory restocking cycle of 2017 give way to growth in line with normal economic growth. The three largest economies (the US, China and Japan), as well as the European Union, contributed to strong global demand.



As volume growth has slowed through the first half of 2018, the gap in growth rates between air and sea has moderated, with air freight growth falling almost by half, and sea freight slowing slightly. This narrowing is a symptom of the restocking cycle ending, and the consequent decline in surplus volumes that require fast transit.

With volume growth slowing, and expectations for trade growth over the forecast period slowing, Ti has revised its 5-year forecast for the global market down fractionally to 4.6%.

Data available 2009-2018 with forecasts to 2022 segmented by:

- Region
- Country
- Air freight
- Sea freight

Further segmentation:

- Air freight split by airline vs forwarder
- Sea freight split by shipping line vs forwarder
- Company market shares by air and sea, volumes and revenues
- By trade value by commodity
- Air freight volumes
- Sea freight volumes

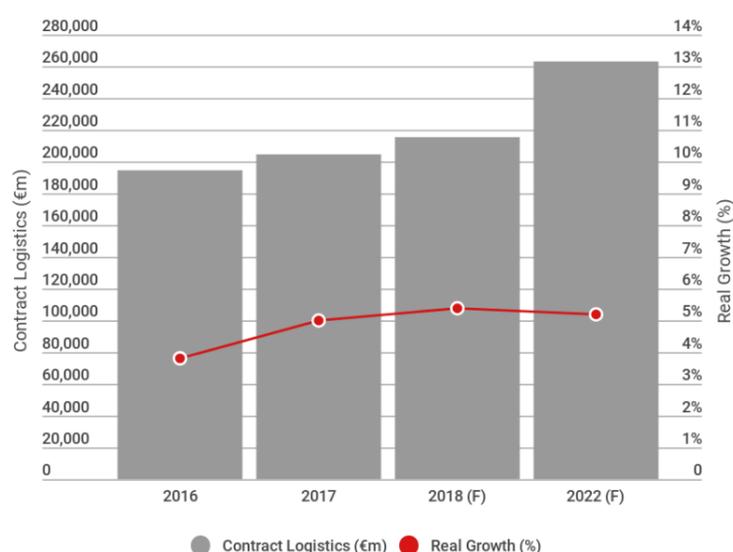
Reason to buy: With volumes and pricing changing rapidly, significant variations in growth opportunities between air and sea, and between different countries and trade lanes, you need granular and up to date market data at your fingertips so you can optimise your strategy.



Contract Logistics

The global contract logistics market grew at 5.4% over the first half of 2018 and Ti's projections show that the market size will reach €215.39bn in 2018 (at 2017 prices and exchange rates), sustaining growth of 5.4% in the full year.

Ti figures show that contract logistics market growth is still accelerating slightly, even after 5% growth in 2017. However, the 0.4 percentage point increase in growth rate suggests that we are reaching the peak of acceleration in market growth.



The continued growth is underpinned by an improvement in real GDP growth in the global economy, which the IMF put at 3.9% in 2018, a slight increase over the 3.7% seen in 2017, as well as continued performance in the US economy, where strong performance continues with GDP growth of 2.2% recorded in Q1 2018 and 4.1% in the second quarter of the year.

The global picture is offset somewhat by developments in Asia Pacific and Europe, where contract logistics market growth has moderated slightly in the first half of 2018 from the levels seen in 2017. Again, this is reflective of the wider economic

scenario in the regions where GDP growth has slowed over the same period, and both are expected to see slower annual growth over the full year 2018.

Looking ahead, Ti has revised its 2017-2022 CAGR for the global contract logistics market upwards slightly to 5.2%. The increase is marginal but reflects an improved outlook for wider economic growth which should lead to positive development in key retail and manufacturing markets.

Data available 2009-2018 with forecasts to 2022 segmented by:

- Region
- Country

Further segmentation:

- Split by vertical sector
- Split by logistics service warehousing/ distribution/value added services
- Split by retail channel e-retail/bricks and mortar
- Market shares by region
- Outsourcing rates by region

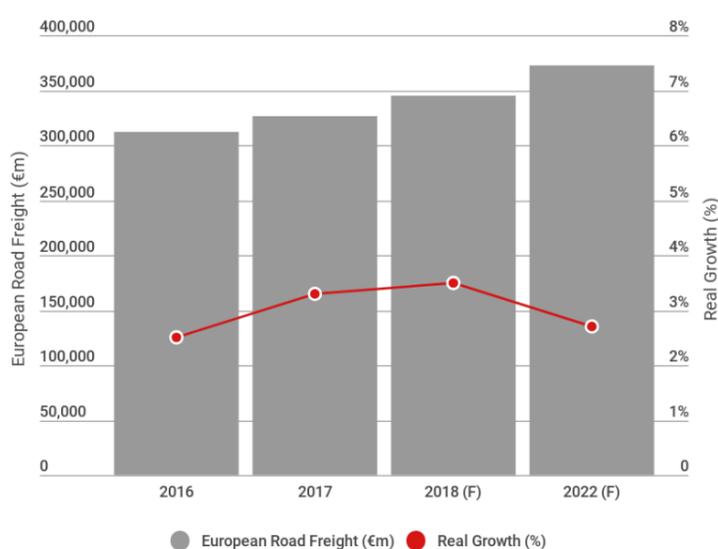
Reason to buy: With high market growth varying so much by country, line of service and by sector, you need the most granular and up to date market data to optimise your strategy



Road freight

The European road freight market grew at 3.5% over the first half of 2018 and Ti's projections show that the market size will reach €344.97bn in 2018, with growth rising to 5.8% on 2017. Volumes are predicted to rise by 3.5% over the course of the year.

Economic activity appears to have slowed down in the Euro area in the first half of 2018, although macroeconomic factors remained strong. According to the OECD, year-over-year manufacturing production growth in Q1 and Q2 of 2018 was 3.7% and 2.9% respectively, although retail sales growth was less strong, with Q1 and Q2 year-over-year growth rates of 2.0% and 2.1% respectively.



Prices have continued their upward trajectory from 2017, driven by increasing diesel prices, and a capacity crunch in the road freight market. Wage growth for the road freight sector is also increasing at a steady rate. Over the full year, volumes are expected to sustain their current growth rate of 3.5%, but price growth is expected to increase over 2018. This is partly due to the diesel prices remaining at a much higher level than in 2017.

The downside risks pertaining to the European economy in the latter half of 2018 are largely external, with protectionism and emerging market weakness not expected to knock Europe's road freight market off track.

Over the current forecast period to 2022, road freight volume growth is expected to slow to 2.7% as a result of downside risks over the medium term, including the withdrawal of monetary stimulus and the increase of central bank interest rates expected to moderate economic growth across the region. Nominal market growth is not forecast because price change cannot be predicted with a sufficiently high degree of confidence.

Data available 2009-2018 with forecasts to 2022 segmented by:

- Country
- By international/domestic

Further segmentation:

- By trade lane
- By weight uplifted
- By commodity

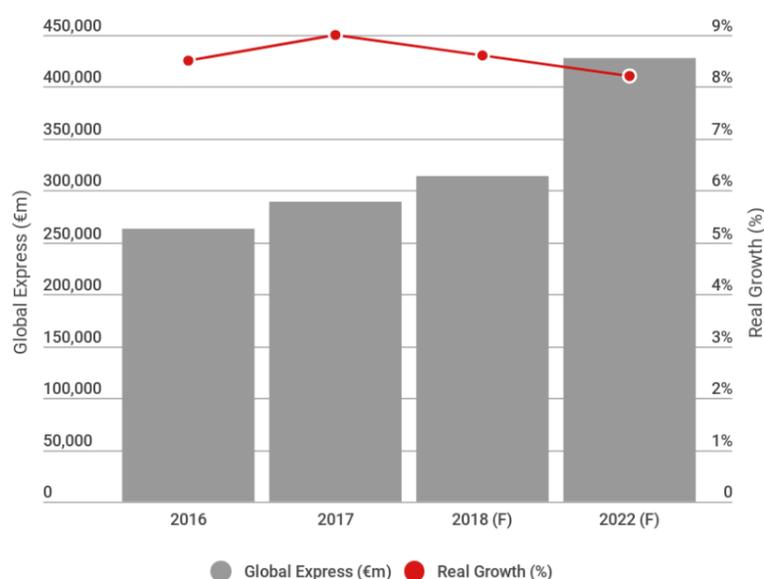
Reason to buy: With volatile and rising pricing, and high growth putting pressure on capacity, you need to understand the current and future market by country and segment to optimise your strategy



Express

The global express and small parcel market growth rate at 9.3% over the first half of 2018 and Ti's projections show that the market size will reach €313.81bn in 2018. Express market growth is expected to slow year-on-year to 8.6% for the full year 2018, as both the global domestic and international markets see moderation in their individual growth rates, though with both exceeding 8%, the market is still growing fast.

Over the last several years, the trend for quicker growth in domestic express and small parcel markets when compared with international markets has been dominant. However, in 2018 the growth of cross-border e-commerce has seen international express catch up with the domestic market.



In the highly interconnected European market, international express continued the trend of 2017 to grow faster than domestic over first half of 2018, although domestic express growth is expected to overtake international again for the full year.

Over the current forecast period, Ti expects the global gap between the growth rates of the domestic and international markets to narrow, although domestic growth is expected to remain the stronger of the two. From 2017 to 2022, the global parcels market is projected to expand by 8.2% in real terms.

The market's sustained high growth rates are based on strong consumer demand and economic expansion. The trend towards e-retail is expected to continue to increase volumes in the future, whilst cross-border e-commerce will continue to drive international express growth.

Data available 2009-2018 with forecasts to 2022 segmented by:

- Region
- Country
- By international vs domestic

Further segmentation:

- Volume

Reason to buy: With market growth varying so much between regions, and significant changes to international express market growth rates, it's essential to get the most granular and up to date market data to optimise your strategy