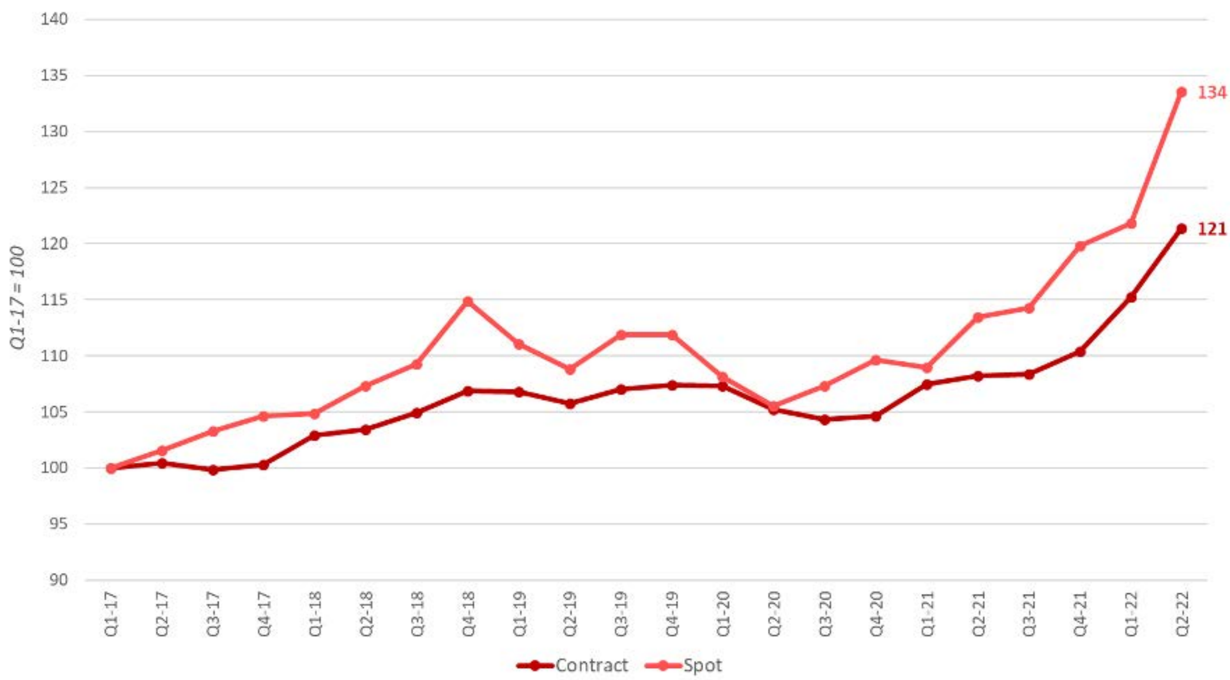
THE EUROPEAN **ROAD FREIGHT RATE** DEVELOPMENT **BENCHMARK**

Q2 2022

Contents

Ti x Upply x IRU European road freight benchmark
European road freight rates index, Q2-2022

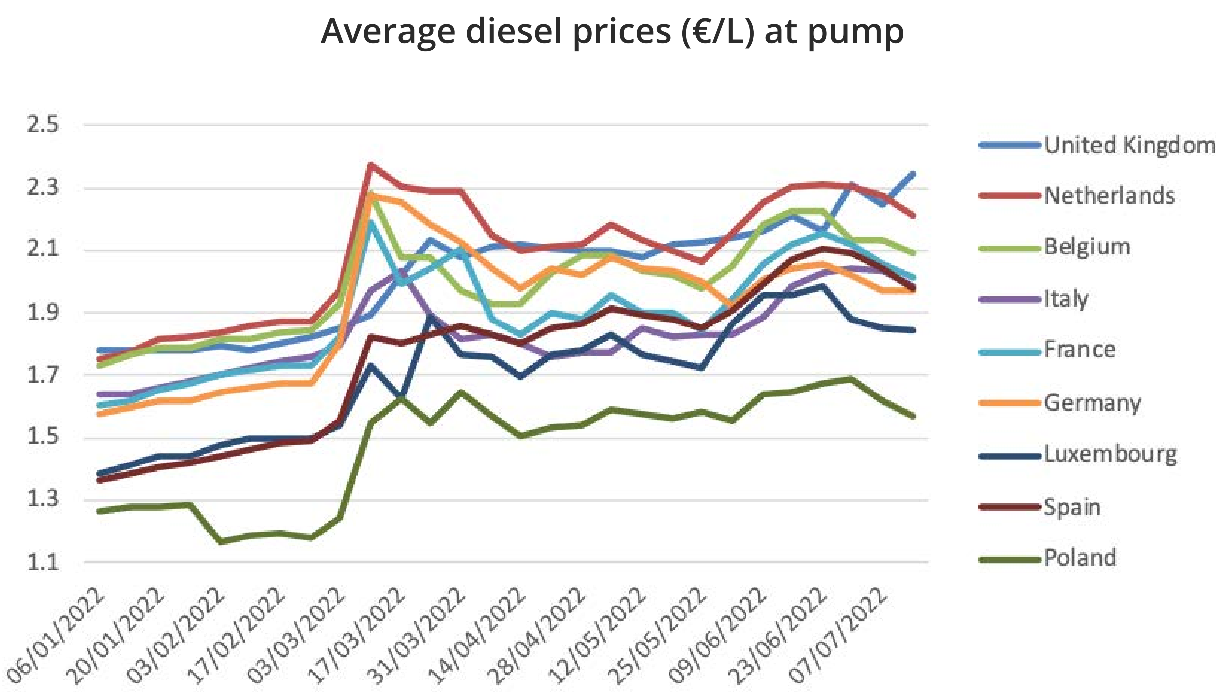


Source: Upply

For the first time since the publication of the European Road Freight Rate Benchmark began Ti, Upply and IRU can offer analysis on Spot and Contract rates. The Ti X Upply X IRU European benchmark paints a similar story for both markets – considerable rate increases in Q2 2022. The true effects of cost increases as a result of the Ukrainian conflict have been reflected in Q2 prices.

Contract rates have increased by 6.1 points during the quarter, reaching an all-time high of 121 points. This is up 13.1 points on Q2 2021 after four consecutive quarters of rate rises. The spot market index has risen nearly twice that amount, up 11.8 points on Q1 2022 and 20.1 points on Q2 2021.

The full effect of diesel price rises in March can now be seen. Following the invasion of Ukraine, in March, the EU 27 pre-tax diesel price jumped up 69% vs its January level. While diesel prices have varied by country since prices have remained elevated in July and are 69% above the January level. Diesel prices average at the pump in Q2 2022 of main European countries see an increase of 13% versus Q1 2022 with an average price at the pump of €1.9 per litre. Many European countries have cut fuel duty to limit the impact of price rises. according to the campaign group Transport & Environment, this has cost EU governments over €15.8bn in total, and while it has eased the pressure on suppliers and customers, diesel prices at the pump are still up 26% on average.



Source: IRU

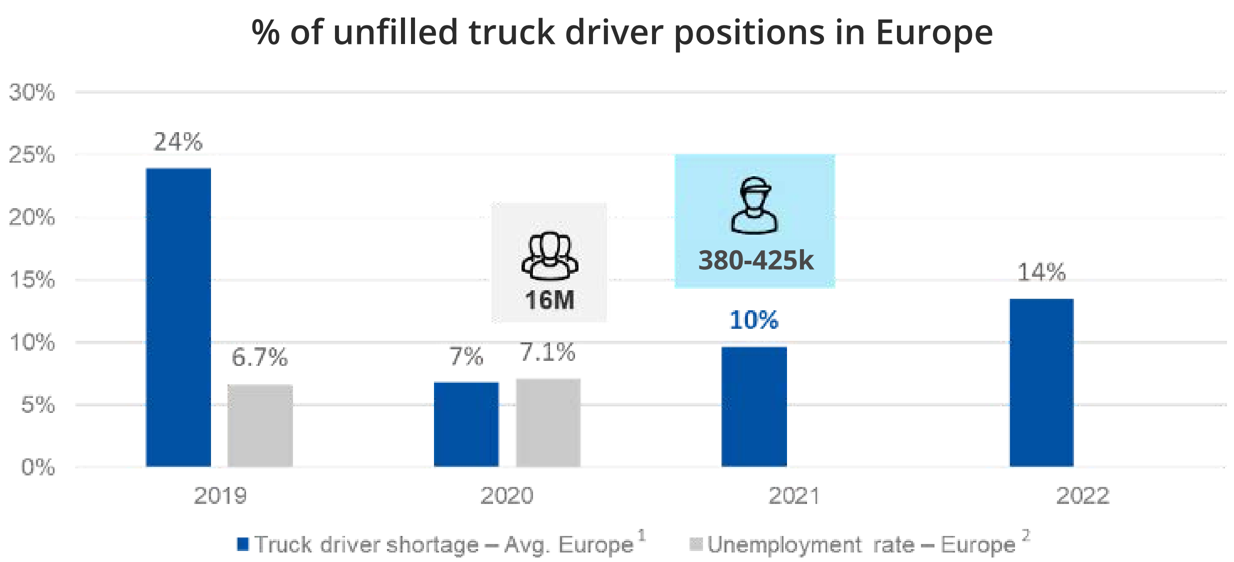
With a Crude Oil WTI around 105 USD/Bbl in average in Q2 2022, knowing that in most of European countries prices at the pump are influenced by spot crude oil prices and regulation framework, the pressure on carriers remains extreme.

Diesel costs usually account for one third of the total operating transport costs, but given the increase, they may now account for 50% of costs. Data from CNR indicates that the cost of diesel made up more than 25% of the total running costs of an international HGV based in France in 2019. Taking an average of €1.33 per litre for 2019, as indicated above, the increase in early 2022 to €1.9 per litre suggests fuel is likely to now account for significantly more of the total running costs.

Multiple indicators point towards the demand for European road freight weakening with activity in all major economies falling and inflation rates dampening consumer and business confidence across the board. Consumer and business confidence is on a downwards trend in all major European economies heading into Q3. Economic activity is being pushed down by rising inflation across all European countries with euro area inflation reaching a record 8.6% in June. The biggest contributor to inflation is energy prices and, with further uncertainty around the supply of Russian gas, energy prices can be expected to continue putting upward pressure on European prices, deterring growth and therefore road freight demand in Q3.

Driver shortage

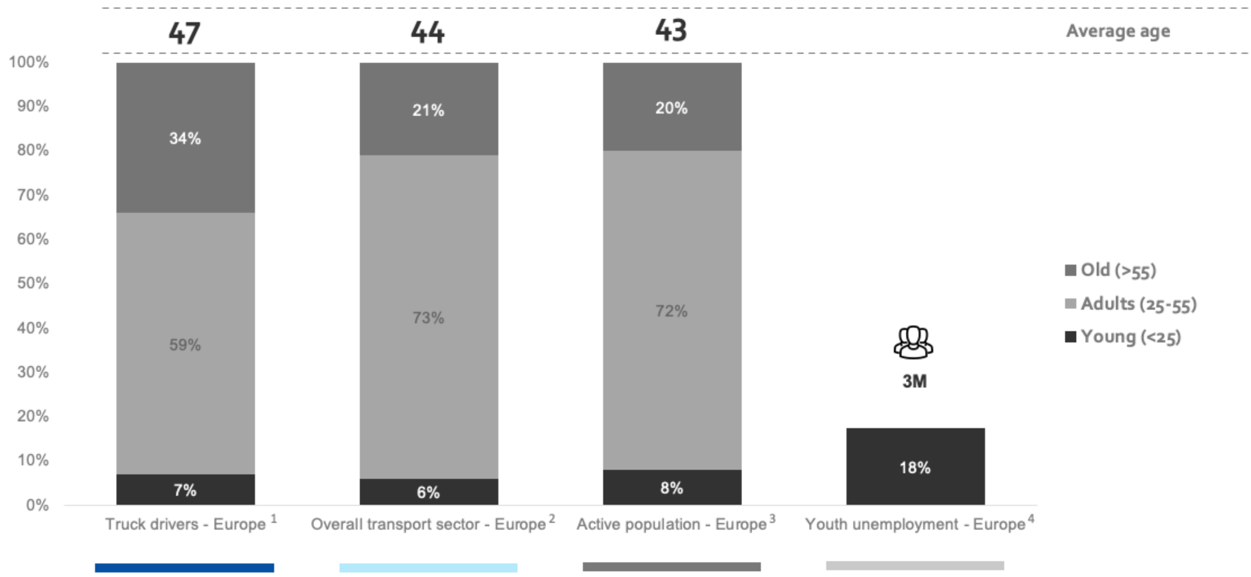
Driver shortage is continuing to put upwards pressure on wages (which make up another third of transport costs), as employers try to remain competitive and keep their drivers. At the end of the year, the shortage of drivers is forecasted to increase in Europe, reaching 14% of unfilled driver positions, meaning a 40% estimated increase in unfilled truck driver positions.



Sources: IRU, Eurostat

Ageing truck driver workforce is the main driver of the deterioration of the driver shortage situation with an average age of Europe's truck driver population of 47 years old. There is a large proportion of drivers close to retirement (34% are above 55 years old). Whereas the share of young drivers is too low to replace the significant number of truck drivers that will retire in the next 10 years: 20% of the European working population is over 55 years old.

Truck drivers age distribution in Europe

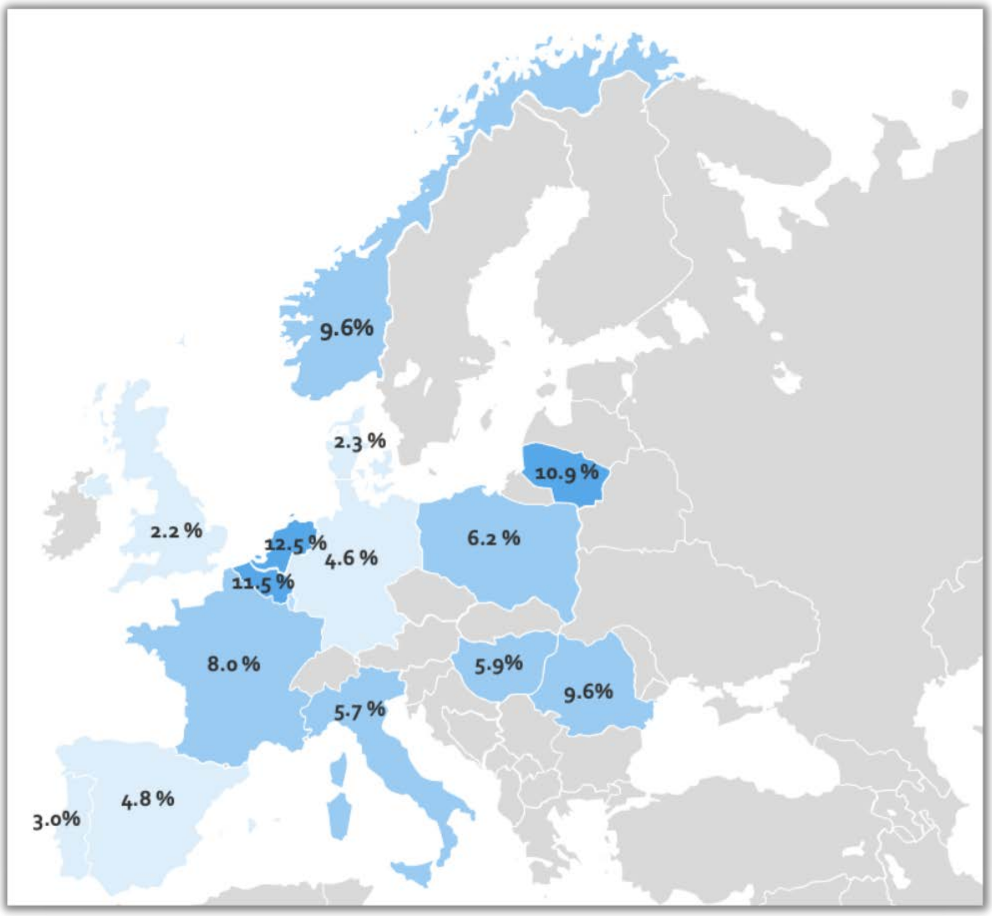


1. IRU; 2. Eurostat (Transportation and storage); 3. Eurostat ; 4. Eurostat

There are less than 7% young truck drivers under 25 years old in Europe. The The Netherlands is the country attracting the most young people (13%), while the UK has the lowest proportion of drivers under 25.

The required minimum age to become a driver is 18 years old in some European countries, but goes up to 21 years old in others. This means young people have to wait at least 3 years between the end of their studies (18 years old if vocational truck driver training exists) and the moment they can become truck drivers (21 years old). Additionally, in most countries, practical driving lessons cannot be started before 18 years old, which is also a discouraging factor for youth as they cannot start driving during their vocational training (if the latter exists).

% of young truck drivers <25 years old in Europe



Source: IRU

% of young truck drivers (< 25 years old)

- ≥ 20%
- 15% - 20%
- 10% - 15%
- 5% - 10%
- 0% - 5%
- *No info*

Impacts on driver costs and rates due to the new rules of the EC Mobility Package are still limited as many EU Member States are still lagging behind their obligation to transpose and publish the information on the conditions applicable to posting in their countries, including critical information on drivers' remuneration in the host country [1]. The same is true for specific aspects regarding access to the market and access to the profession.

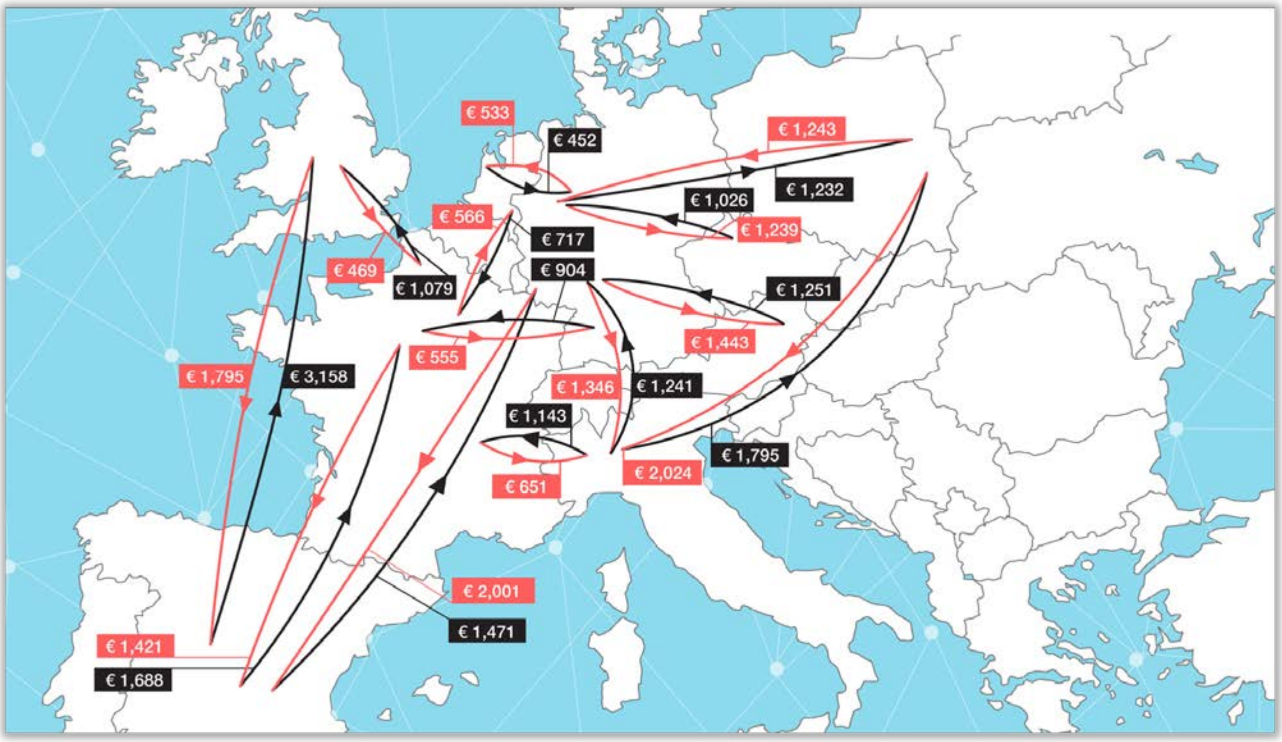
To date, the European Commission has started infringement procedures against 22 Member States, meaning that no more than 6 countries could be considered as fully in order.

Different aspects of the Mobility Package could, however, create potential capacity constraints and therefore impact costs and rates when the implementation of the obligations will be all generalised across European Union. One of the most anticipated short-term driver of impact on costs is the mandatory return of the vehicle to the Member State of establishment within an 8-week period. These changes could hinder ongoing efforts to reduce the number of trucks on the road, increase fuel consumption and CO_2 emissions, and reduce efficiency through additional empty returns. With regular returns to base location, the impact could amount to as much as €10,000 per truck for carriers from Eastern Europe operating in Eastern Europe (which represent around 10% increase compared to a normal, business-as-usual year). Moreover, these costs may increase if operators decide to invest in additional vehicles to offset the need for some trucks to return to base. First estimations indicate that carriers will then need to invest around €100,000 in new capacity at a time.

Also, the requirement for drivers to post their locations will further put pressure on expenses. Because the minimum salary in the destination country is different than in the home country, operators will incur higher driver costs when operating outside of the home country.

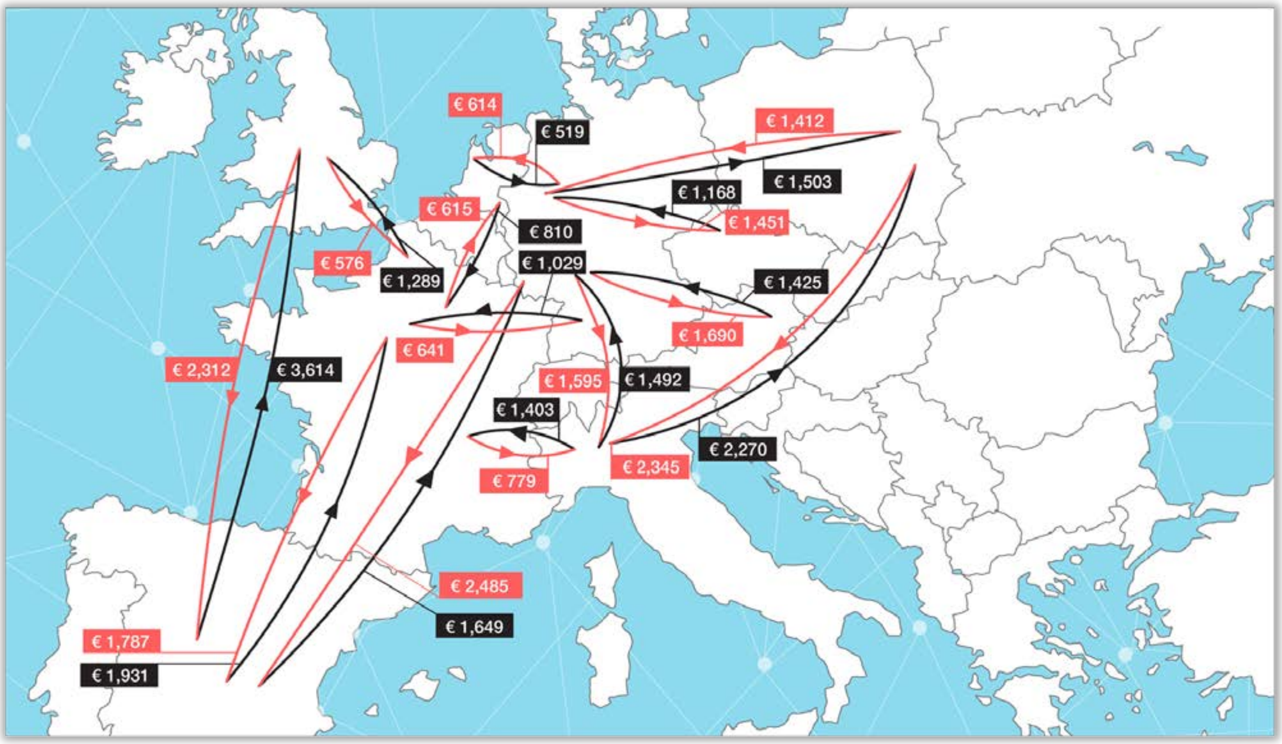
[1] Mobility Package 1 in practice

Ti x Upply x IRU European Road Freight Benchmark Map – Q2 2022
Contract Rates



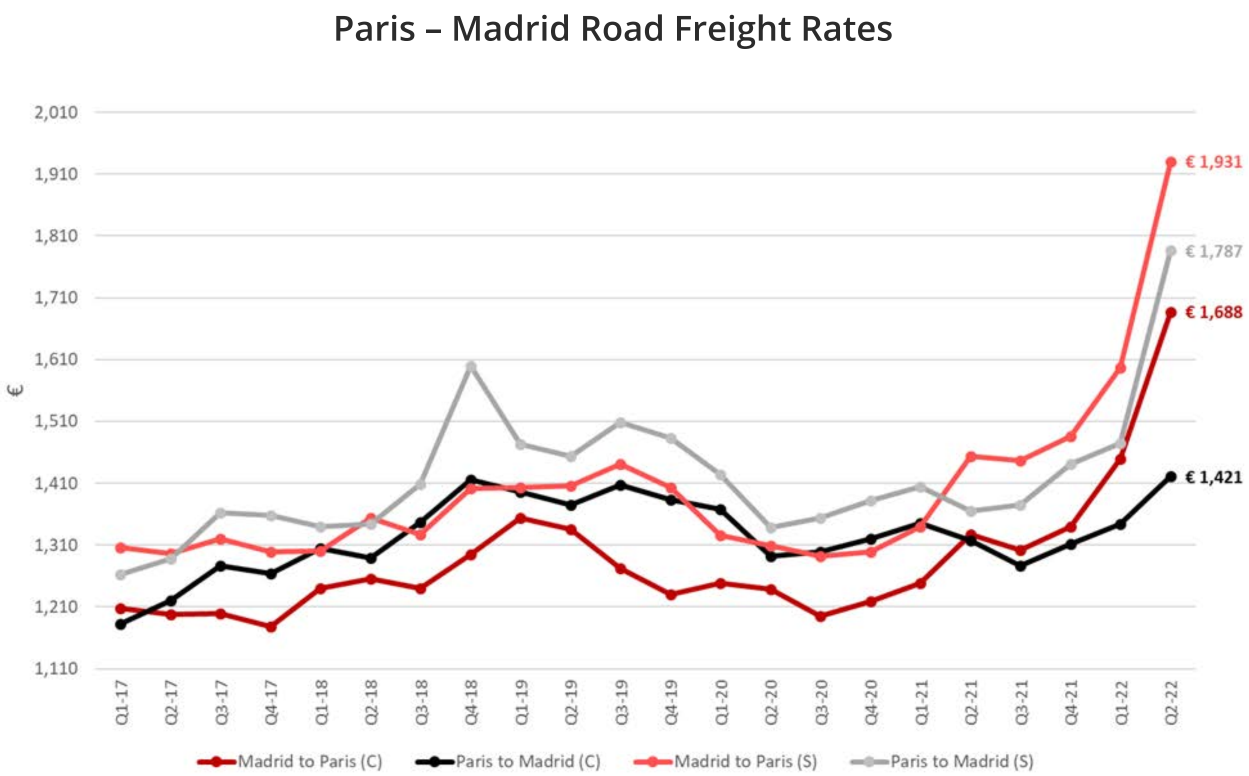
Source: Upply

Ti x Upply x IRU European Road Freight Benchmark Map – Q2 2022
Spot Rates



Source: Upply

France – Spain



Source: Upply

All prices for road freight on this route have hit a new all-time high.

Spot rates increased most significantly on this lane. Prices into Paris increased by 20.9% quarter-on-quarter to a median price of €1,931 (€1.52/km) while spot prices on the opposite leg into Madrid sat at €1,787 (€1.41/km). This represents a 21.2% quarter-on-quarter increase – nearly twice the European average for spot rates and the second largest increase of all European spot rates.

In the contract market, the largest increase occurred on journeys into Paris where prices were up 16.4% quarter-on-quarter to €1,688 (€1.33/km). Meanwhile, routes into Madrid increased by 5.7% quarter-on-quarter to €1,421 (€1.12/km). Prices on this route have been pushed up by rising costs in the market while demand has weakened and put less pressure on the rates.

Spanish supply-side pressures have contributed most significantly to the rate rises on this route. Spain has seen some of the largest increases in diesel prices in Europe, with prices in July now 45% higher than at the start of the year. For context, prices in France and Germany have increased around 25% in the same period. Spanish diesel prices increased 14.6% during Q2, pushing up to new record highs. Rising fuel prices have caused further conflict between the government and transport unions and the country narrowly avoided further strike action following those which paralysed food distribution in March. In a vote on industrial action, 45% of the Platform for the Defence of the Transport of Goods' (TPDTG) membership [1] opted to continue negotiations with the government, while 41% voted to strike and 14% abstained. This suggests the threat of another strike and further disruption to the Spanish transport sector remains high.

Truckers in Spain want assurances that they won't be forced to work for less money than the costs of their journey. While negotiations continue, the union will be holding conversations with carriers and their clients to encourage a change in pricing policies and payment terms. Data from Eurostat shows that labour costs in the transportation sector have fallen by 0.8 index points in 2022 and therefore have not played a major role in the rate increase, but this may have to change in the coming months as self-employed truck drivers represented by TPDTG demand higher pay to cover rising costs.

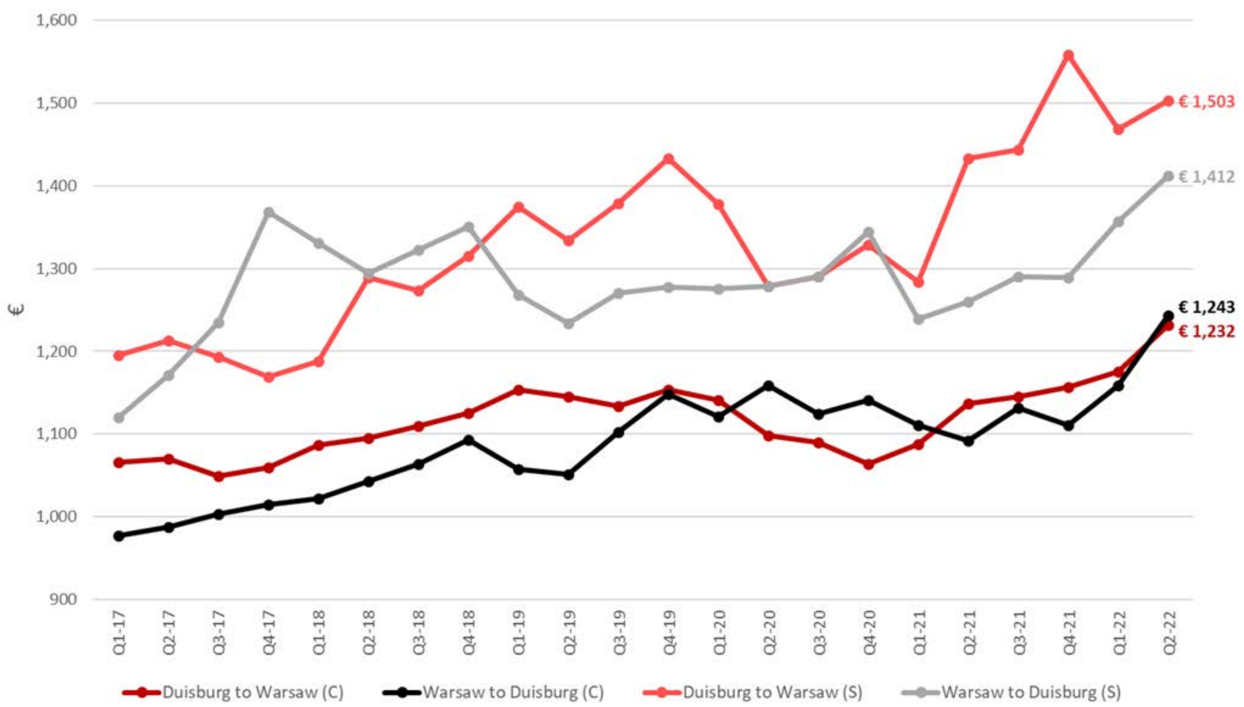
[2] The Platform for the Defence of the Transport of Goods mainly represents self-employed truck drivers.

In France, while high levels of government spending during 2021 fuelled a strong rebound and the highest GDP growth in 52 years, the latest data from Banque de France expects a 0.2% contraction in Q1 to be followed by a 0.25% expansion in Q2. The Banque's governor stated that "activity isn't brilliant, but it's resilient". While French demand on this route is not expected to plummet in the coming months, consumption data shows it is weakening. In Q2, French household spending on food dropped by 2.4% (€410m) vs the previous quarter. This figure is supported by the observed behaviour of French consumers in 2022 who, according to Nielsen data, are now spending 11% more on the cheapest own brand ranges and 0.5% less on brand name products such as Lindt and Danone when compared to 2021. France is the primary destination for Spanish food exports, and this represents a noteworthy drop in demand for road freight on the Madrid to Paris leg. French retail experts expect supermarket prices to increase by around 5% this year, coupled with French consumer confidence that fell 3 points per month in Q2, the forecast suggests French demand for perishable Spanish goods may fall in the coming months.

The picture on this lane is one of rising costs from Spanish truckers who dominate the supply overshadowing falling demand from Spanish and French consumers. Rising costs have put upwards pressure on spot rates in the short-term while contract rates have also risen.

Germany – Poland

Duisburg – Warsaw Road Freight Rates



Source: Upply

All rates except Duisburg to Warsaw spot rates reached new all-time highs on this route after trending upwards since the beginning of the pandemic. Contrary to the relationship seen on most European lanes, spot rates on lane this grew slower than the contract rates. On routes into Duisburg, spot rates increased by 4.1% to €1,412 (€1.31/km) while contract rates increased by 7.3% quarter-on-quarter to a journey price of €1,243 (€1.15/km). In the opposite direction, contract rates from Duisburg to Warsaw saw double the quarter-on-quarter rise of spot rates, as the spot rate rose by 2.4% quarter-on-quarter to a median price of €1,503 (€1.39/km). This compares with a 4.8% increase in the contract market, which took the price to €1,232 (€1.14/km).

Contract rates grew very slightly ahead of the European average showing that as with other routes, carriers passed rising costs on to customers in the shape of increased rates. Spot rates from Warsaw to Duisburg grew relatively slowly, with an increase of only 60% of the average increase in prices across Europe. Meanwhile, rates from Duisburg to Warsaw grew even more slowly, at less than 20% of the European average. Of all 48 recorded spot rates, only one other route (Rotterdam to Warsaw) grew slower than the rates from Duisburg to Warsaw.

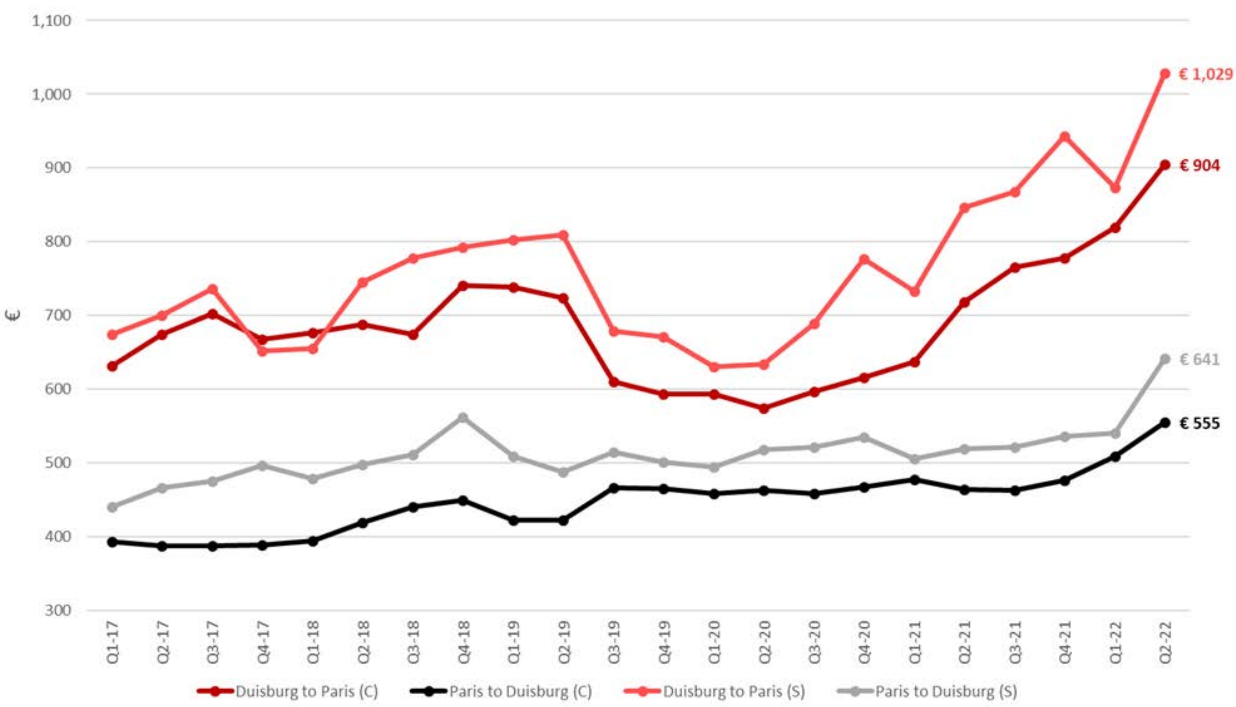
Carriers operating between Germany and Poland faced some of the continent's largest rises in the price of diesel during March which significantly increased operating costs on this lane. The price of diesel in Germany increased 28% in March and still sits 23% above its January level in July. Poland, meanwhile, saw a 29% increase during March, however, prices continued to rise in the following months and diesel prices are now 25% higher than their January price. Rising Adblue prices are also contributing to the rising operating costs. Natural gas plays a pivotal role in the production of AdBlue and further uncertainty over the supply of natural gas on the continent will likely continue to push the price up further.

Muted demand from weakening industry in both Germany and Poland have prevented large price increases on this route. The close of Q2 came with confirmation that the German economy slid into a trade deficit for the first time since 1991. In May, imports increased by 2.7% to €126.7bn, while exports fell 0.5% to €125.8bn. A fall in intra-European trade was the key reason for the deficit. Exports from Germany to other EU countries fell by 2.8% and exports to the UK fell by 2.5%. More widely, exports to the US and China increased by 5.7% and 0.5% respectively. Germany's Manufacturing PMI fell 4.6 points from Q1 to Q2 and figures from the country's manufacturing giants confirm the slowdown. Volkswagen AG sales dropped 21% in May and despite news of improved semiconductor supplies, the European car industry posted its 12th consecutive year-on-year decline in June.

Stale air from Germany’s slowing factories has blown eastwards toward Poland as the country's industry suffers from tumbling demand for Polish intermediary goods from German factories. Poland’s manufacturing PMI dropped 5.5 points from Q1 to Q2 down to 48.4, this now puts the country’s manufacturing industry in negative territory and is further evidence of declining German manufacturing volumes. Clearly, the instability created by the conflict in Ukraine is particularly noticeable in this part of Europe and also affects the development of industrial prospects. Lastly, high inflation, which reached 15.6% in Poland in June, and growing interest rates (6%) also make life harder for Polish consumers and businesses.

Germany – France

Duisburg – Paris Road Freight Rates



Source: Upply

The Duisburg to Paris lane saw new highs across the board in Q2. Spot rates on both legs of the route increased by more than 1.5 times the European average. Spot rates on the headhaul into Paris increased 17.8% quarter-on-quarter, the lane's fastest quarterly increase since 2017, reaching €1,029 (€3.41/km). In the opposite direction, rates into Duisburg grew by 18.5% to €641 (€2.12/km). Contract rate rises were less extreme but also saw changes above the European average with headhaul rates into Paris hitting a median price of €904 (€2.99/km) following a quarter-on-quarter increase of 10.3%. Backhaul rates increased by 8.9% to €555 per journey, or €1.84/km.

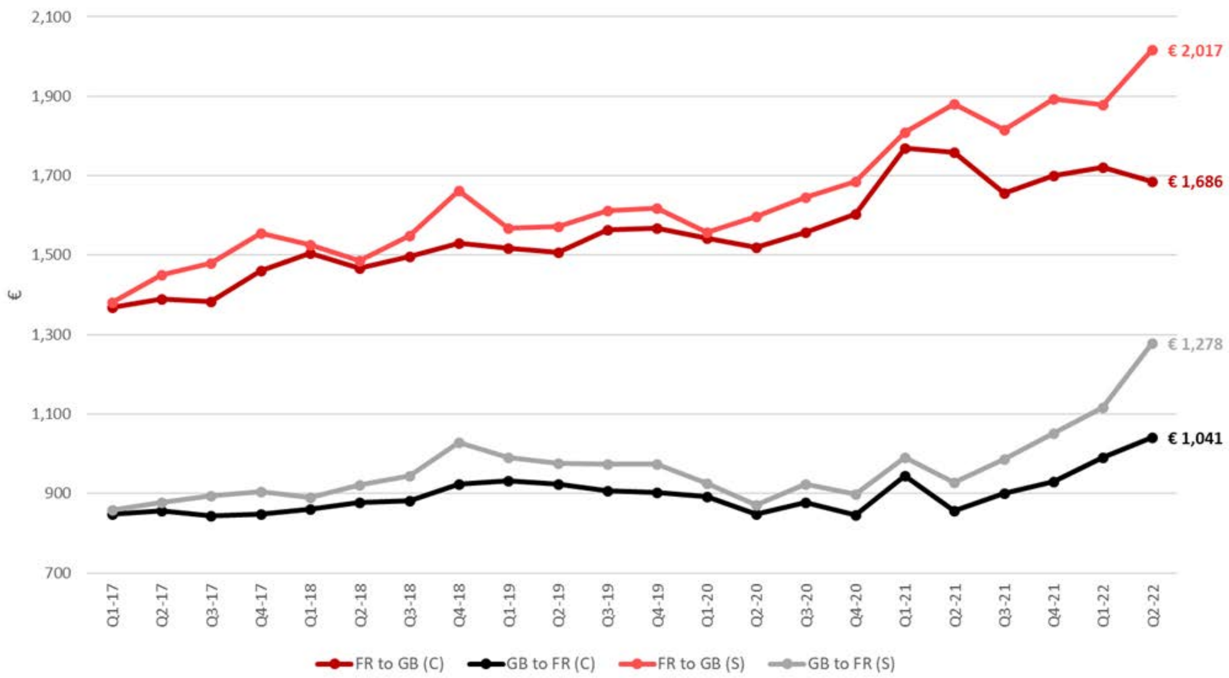
According to Insee data, French household expenditure fell by 1.4% in Q2, although this was mainly due to a 2.4% fall in expenditure on food. Expenditure on engineered goods fell by a more modest 0.5%, suggesting that French demand for German finished goods is still stable. Signs of falling demand from the French economy are creeping into vision, however, with new car registrations in June down 18% year-on-year.

A chip crisis has significantly restricted car production over the previous 12 months, but this has eased with Mercedes and BMW now reporting sufficient supply for production. As a result, German car production reached 302,000 units, up 18.4% year-on-year and 12.9% higher than in March. This has generated great demand for German road freight on exporting lanes and added upward pressure to rates.

Suppliers on this route have faced increasing diesel and Adblue prices which have pushed up operating costs. Journeys on the headhaul into Paris have had to absorb an initial German diesel price increase of 28% in March. Diesel prices have trended downwards since March but still sit 19% higher than February levels. On the Backhaul, French diesel prices initially increased a more modest 18% in March but have stayed just as high and still sit 18% above their February level. Due to a lag, the effects of rising diesel prices in March were seen in the Q2 rate increase but with diesel prices settling at this higher rate, it appears likely the effects of fuel price increases are now fully apparent in the market.

France – Great Britain

France – Great Britain Road Freight Rates



Source: Upply

Rates on routes between France and the United Kingdom have grown significantly less than others around Europe, only four routes saw contract prices fall quarter-on-quarter and three of those were FR-GB routes.

In the contract market, rates on the headhaul from France to the UK fell by 2.1% to a median price of €1,686 (€2.88 /km), this is now 4.1% lower than their rate in Q2 2021. On the backhaul to France, prices in the contract market reached a median of €1,041 (€1.60 / km) representing a 5.0% quarter-on-quarter increase. This increase is below the European average in the contract market, suggesting it is under less pressure than the rest of the continent.

There were no price falls in the spot market with prices reacting quickly to cost rises in the road freight industry, however, rate increases on this route are just two-thirds of the European average. On the headhaul into The United Kingdom, prices reached an average of €2,017 (€3.44 /km) per journey, up 7.4% quarter-on-quarter. In the opposite direction, prices reached €1,278 (€1.97 /km), an increase of 14.5% quarter-on-quarter.

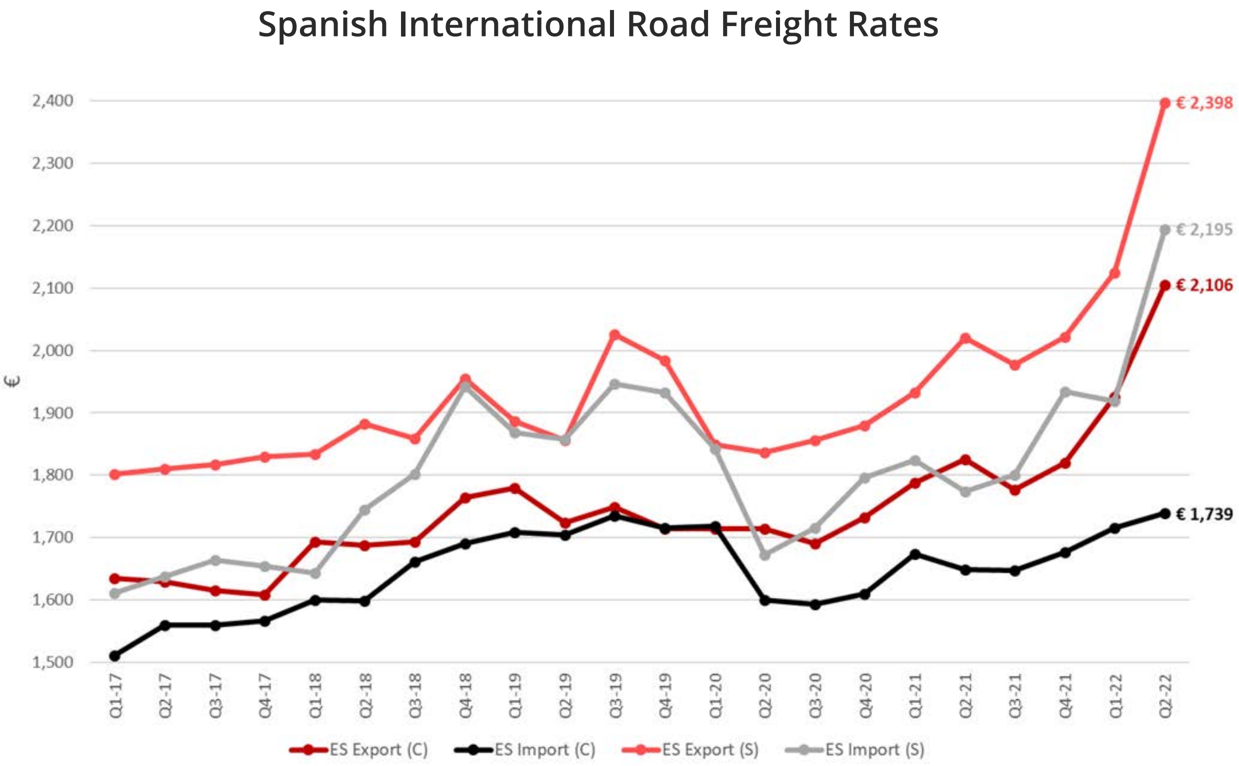
July data shows that the price of diesel at UK pumps is now the highest of all major European countries sitting at €2.35/L, 16.8% higher than French prices and 19.1% more expensive than German prices. In addition, IRU data shows that in the weeks between the 23rd of May and the 14th of July, diesel prices fell in all major European countries except for the United Kingdom. This suggests that diesel has played a significant role in Q2 price rises and will continue to inflate rates on the backhaul in Q3. The cost of labour in both countries has been stable but inflation is adding pressure to increase wages, with summer industrial action expected in the transport sector on either side of the Channel.

Demand from both countries has been subdued and is weakening going into Q3. In May, UK consumers faced a 40-year high inflation rate of 9.1%, The Bank of England expect this will exceed 11% by October. More than half of the goods in the UK's inflation basket have risen by more than 7%, while the UK's demand for cars is also falling with car registrations in June 2022 down 24.3% year-on-year. The UK's manufacturing sector is also suffering from rising prices, with the costs of raw materials rising at their fastest rate on record.

French consumers face a less extreme inflationary environment; however, Banque de France expects inflation to reach 6.5-7% by the end of the year. Demand from the French economy is weakening but at a slower rate than seen in the UK economy. Q2 Insee data shows that French household consumption fell by 1.4% quarter-on-quarter. Demand for new vehicles is also falling in the French economy, albeit less sharply than across the English Channel, with new vehicle registrations in June 2022 down by 18.0% year-on-year.

Falling economic activity is not the only factor that has reduced demand on this route. Following Brexit, journeys on this route have become more costly and time-consuming. Researchers from LSE (The London School of Economics) found that while exports have largely recovered, UK imports from the EU fell by 25% relative to other destinations, in addition, the variety of goods trades has fallen by 30%. Low-value goods have been most affected by increased admin costs. Summer travel has caused further congestion and with new border checks due to be introduced in September, more delays could add more pressure to rates while demand falls off in the Autumn.

Spain – Europe



Source: Upply

Spain has seen some of Europe's largest quarter-on-quarter spot rate increases. Spot rates on Spanish export lanes increased 15% faster than the European average while import lanes increased 29% faster than the European average.

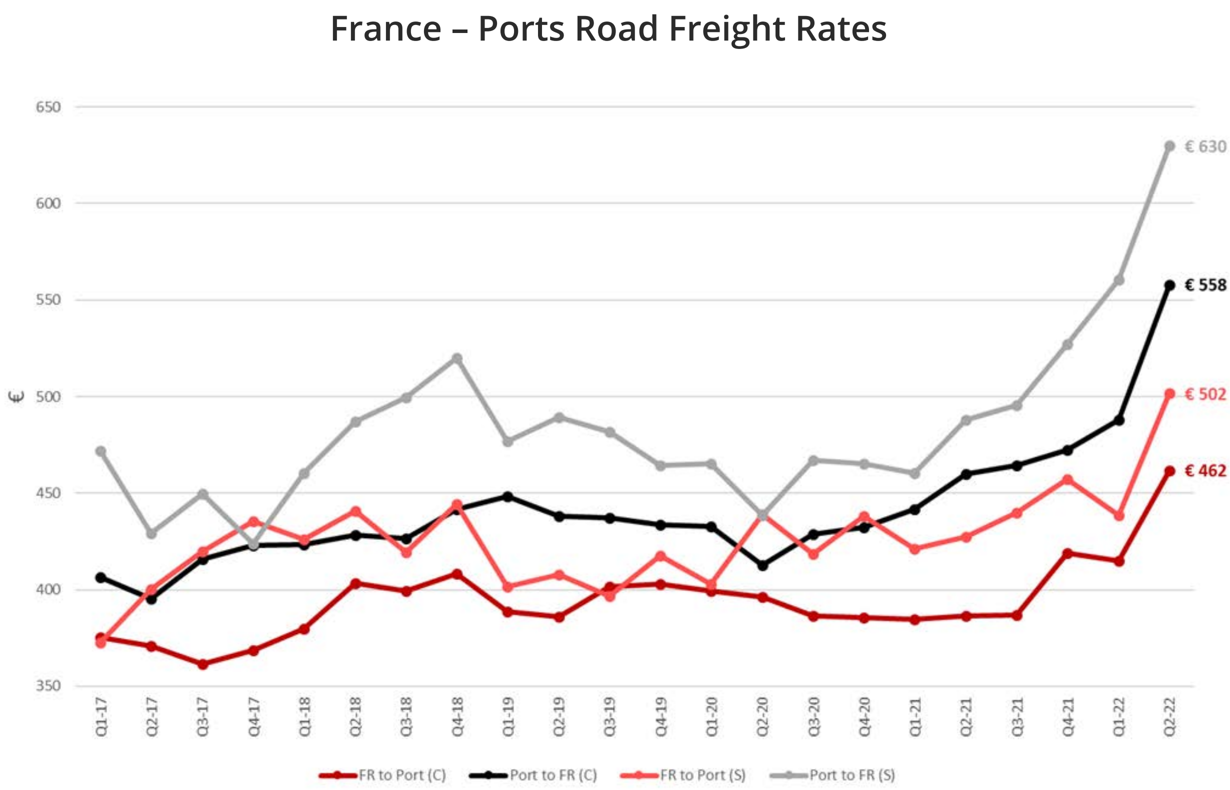
Spot rates on Spanish export lanes now average €2,398 (€1.46/km) an increase of 12.9% on Q1 2022 and 18.7% on Q2 2021. Spot rates on import lanes increase by 14.4% quarter-on-quarter, now averaging €2,195 (€1.07/km) per journey. In the contract market, rates increased less with a 9.3% quarter-on-quarter increase on export lanes taking the average price to €2,106 (€1.28 /km). Spanish import rates averaged €1,739 (€1.07/km), which represents the second smallest increase of all international contract rates. Spot rates on Spanish import lanes have diverged and are now 26.2% more expensive than contract rates, the largest gap of any European country.

Both Spanish consumers and producers face some of the steepest rising prices on the continent. The latest data put Spanish inflation at 10.2%, which is above the other major European economies of Germany (7.9%), France (5.8%), Italy (8%) and the UK (9.1%). The average price of a Spanish supermarket shop was up 9.4% at the start of Q2 with prices at Carrefour up 12.1%. Spanish industry faces similar price pressure with Spain's producer price index up 43.6% year-on-year at the start of Q2. The result is both consumers and businesses in Spain demand smaller and smaller volumes of imported finished and intermediary goods from the rest of Europe which in turn has put considerably less pressure on rates on import lanes.

A resilient French economy however has provided consistent demand on Spanish export lanes. Alongside the upward pressure from Spanish carriers who face some of the largest cost increases on the continent; as a result, operating costs have pushed up rates during Q2 2022. Diesel prices reached multiple all-time highs in Q2. Following an initial 21% increase in March, prices have continued to rise in the country and prices at the pump now sit 45% higher than their January level.

High fuel prices have caused further unrest in the Spanish labour market, the country narrowly avoided strike action similar to the one which paralysed food distribution in the country in March. In late June 45% of union members voted to continue negotiations with the government while 41% voted to strike. This suggests that the likelihood of a strike in Q3 is still high. Spanish Truckers want assurance that they will not be forced to work for less money than their journey cost. Unions are now appealing directly to clients to encourage changes in pricing policy and payment terms. We can expect this to put further pressure on rates in Q3, while any strike in the coming quarter will most definitely push rates up on all routes originating in Spain.

France – Ports



Source: Upply

Of the 10 largest quarter-on-quarter rate increases in Q2, eight were on routes between French cities and the two major ports of Rotterdam and Antwerp.

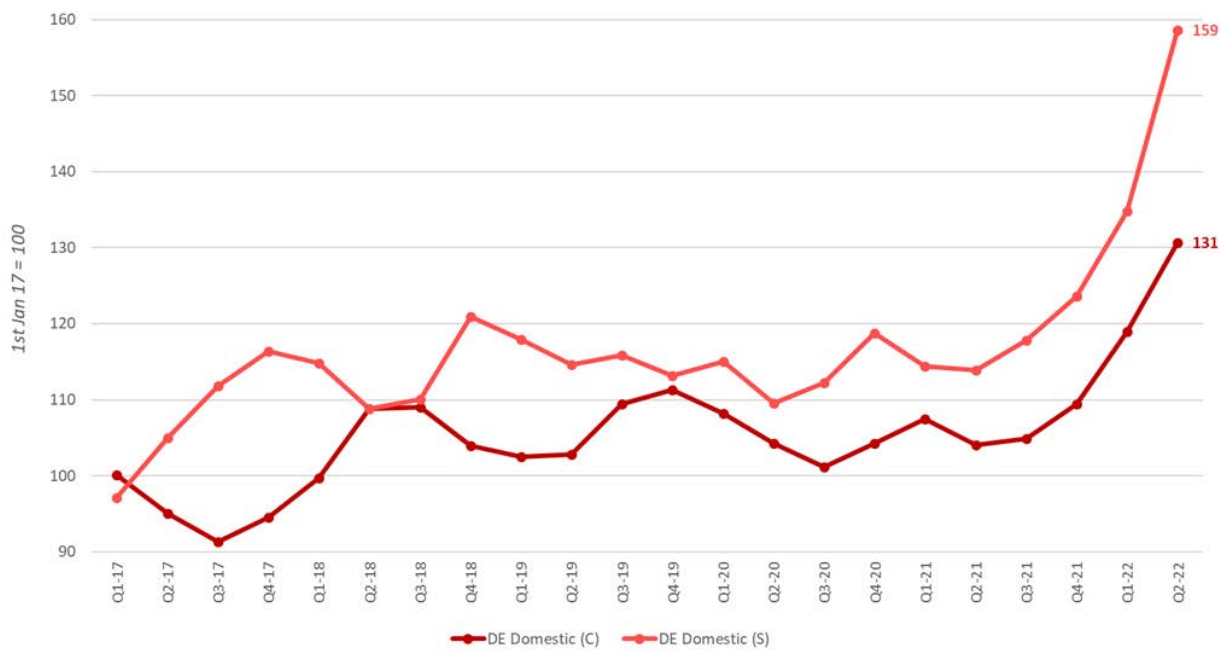
Contract rates on the export lanes from France to the ports increased to an average of €462 per journey and €2.72 per km, representing 11.4% growth quarter-on-quarter and 19.5% year-on-year. While French import routes increased by 14.4% quarter-on-quarter to €558 per journey and €3.29 per km. In the spot market, export lanes reached €502 (€2.95 /km) up 14.4% quarter-on-quarter, while prices on import lanes grew 12.4% quarter-on-quarter to €630 (€3.71 /km).

A multitude of factors has come together to make the journey to and from the lowland ports more time-consuming and costly for carriers. Both ports continue to struggle with high levels of congestion, in July Maersk warned congestion was at “continuously critical levels”. Hapag Lloyd has introduced blanket surcharges to encourage prompt collection and delivery of containers. With costs pushed up by time delays and surcharges, low water levels on the Rhine have reduced the capacity of river freight in the region and thus added more pressure to road freight to and from the ports.

While operating costs rise, French demand on both import and export legs remains buoyant. Indicators point toward contractions in French spending but to a much lower degree than in the rest of Europe and French Economic activity remains resilient. Household consumption dropped in Q2 by 1.4%, however over 60% of this fall was due to falling expenditure on food as French consumers cut back on luxury food items. French consumer spending on engineered goods also fell, but by just 0.4% vs a 2.4% drop in food. French industry follows a similar trend with the country’s PMI down 1.9 points in Q2 vs Q1 however it is still performing better than Germany, Italy, Poland and the UK whose PMIs fell by 4.6, 5.0, 5.5 and 2.4 points respectively during the same period.

German Domestic Market

Domestic German Road Freight Rate Index



Source: Upply

New Data on German domestic rates put both spot and contract rates at all-time highs. Spot rates are up 24 points vs Q1, more than double the increase during the first quarter of the year. Contract rates increased 12 points in Q2, slightly quicker than the increase in Q1.

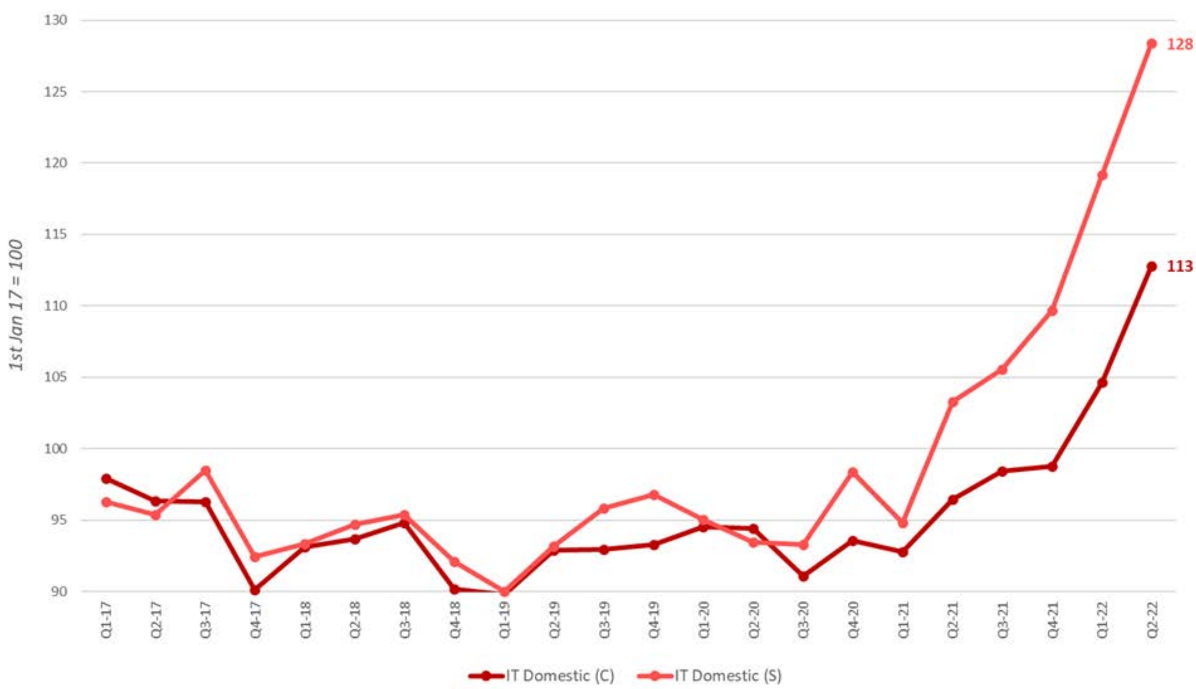
German carriers initially faced some of the largest rises in the price of diesel. In March, diesel prices at the pump increased by 28% vs February. Since March, prices have trended downwards and the price in the week commencing the 14th of July sat at €1.98 per Litre, 7% below their level at the end of March. Due to a delayed effect on the road freight market, these price rises were felt most significantly in Q2, with fuel prices now much more stable and a repeat of March's increases unlikely this suggests fuel prices will put less upward pressure on German road freight rates in Q3. Germany also faces one of the worst driver shortages on the continent with a 50,000-80,000 truck driver deficit. Migrant workers make up 24% of the German driver workforce and the loss of Ukrainian citizens returning to defend their country has further restricted the supply of drivers in Germany.

With activity falling, the total volume of freight demanded by the German economy is declining, however other factors are keeping the demand for domestic German road freight afloat. Dry weather on the European continent has caused low water levels on the River Rhine which have prevented Cargo ships from sailing fully loaded on the River, as a result, operators have imposed surcharges. This has increased the costs of and reduced the capacity of freight movement in the Rhineland. In early June, German monitoring stations recorded precipitations levels 40% below the average and with a dry summer forecasted, low river levels may continue to add pressure to the German road freight industry.

Rising costs in the Italian market caused significant industrial unrest during Q1 and a further increase in the price of diesel has caused this to continue into Q2. Italian carriers have been battling with the effects of rising fuel prices which are now 21% higher than their January level. Diesel price increases in Italy have been limited to below the continental average thanks to excise duty reductions implemented by the Italian government in March. Originally intended to run until the end of April the tax cut has been extended twice, first to July 8th and then for a second time until August 21st. The deal will provide a tax holiday of 30 cents per litre for Italian carriers and ease the pressure of costs for an extra two months.

Italian Domestic Market

Domestic Italian Road Freight Rate Index



Source: Upply

Spot and Contract rates in the Italian domestic market followed a very similar trajectory during Q2 2022. Both reached new all-time highs with the largest quarter-on-quarter increases since Q1 2017. Spot rates increased slightly faster than contract rates, up 9 points quarter-on-quarter vs the 8 points increase in the contract market.

Rising costs in the Italian market caused significant industrial unrest during Q1 and a further increase in the price of diesel has caused this to continue into Q2. Italian carriers have been battling with the effects of rising fuel prices which are now 21% higher than their January level. Diesel price increases in Italy have been limited to below the continental average thanks to excise duty reductions implemented by the Italian government in March. Originally intended to run until the end of April the tax cut has been extended twice, first to July 8th and then for a second time until August 21st. The deal will provide a tax holiday of 30 cents per litre for Italian carriers and ease the pressure of costs for an extra two months.

Italian diesel prices look set to remain high, with prices rising 7.3% in June and a further 3% in the first two weeks of July. The government's decision to extend the tax holiday will prevent further drastic rate rises for the first two months of Q3, but should diesel prices remain high, then Italian markets rates will be dependent on a further extension of the tax cut.

Like the rest of Europe, the Italian market is struggling with a significant driver shortage with an estimated deficit of up to 20,000 drivers. The driver shortage is increasing the costs of labour in the Italian market and some haulage firms are now offering a €6,000 bonus in an attempt to encourage new drivers to join the market.

While rising costs and a lack of capacity push Italian rates up, falling demand from Italian industry and consumers is reducing the upward pressure on rates. In Q2 Italy's average manufacturing PMI was 5 points lower than the previous quarter and the latest data from June puts it at 50.9, whilst still in growth territory a further fall will be a clear indicator that the country's industry is in decline. Consumer confidence and demand are also being constrained by high inflation, which was over 8% in Italy in June. Evidence suggests that Italian demand for road freight will fall in Q3 and provide less upward pressure on rates.

Methodology

The rates are the result of Upply's own econometric and statistical modelling, which is based on the analysis of more than 500 million prices. Upply provides Truck Load (LTL & FTL) weekly rates estimations based on observed transactions for each major European trade lanes, associated with a confidence index. These rates are computed from Upply's key partners and users data. To complete the analysis presented here, Ti selected a representative sample of the largest European road freight corridors by volume. Ti then used the median rates provided by Upply on each corridor, averaging weekly rates over each quarter. Ti's team of senior analysts provide additional insight into the drivers and trends behind price movements with support from Upply. Note that data is subject to re-statements and that new lane samples can be chosen from one quarter to the next.

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 industries, Transport Intelligence has developed a range of market leading web-based products, reports, profiles and services used by many of the world's leading logistics suppliers, consultancies, banks and users of logistics.

For further information or to request a demo of GSCi - please contact Michael Clover: +44 (0)1666 519907 or email mclover@ti-insight.com.

ti-insight.com

Start-up launched in 2018, Upply combines business expertise and data science to bring transport and supply chain professionals a digital solution to benchmark, monitor and anticipate freight transport prices, including past data and forecasts. Upply also publishes market insights and deciphers the sector's challenges in a neutral manner.

Through its Marketplace, Upply directly connects road carriers, freight forwarders and trusted shippers across France and simplifies transport operations. To implement these unique solutions, Upply employs data scientists, logistics and IT professionals, and digital experts. The company is based in Levallois-Perret, near Paris.

For further information, please contact Upply's Customer Care at +33 (9)77 40 20 19 or email service.client@upply.com. Press contact: Gwendydd Beaumont, Communication Manager or email gwendydd.beaumont@upply.com.

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IRU is the world road transport organisation. We represent the entire industry – bus, coach, truck and taxi, and drive the sustainable mobility of people and goods across the planet.

As the voice of more than 3.5 million companies operating mobility and logistics services in over 100 countries, we lead solutions to help the world move better. IRU's work supports trade, economic growth, jobs, safety, the environment and communities.

At the heart of IRU are millions of journeys across the planet every day: people and goods moving to where they need to be, in buses, coaches, taxis or trucks, for all, or even just a small part, of their journey.

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