

# Transport Market Monitor

Declining capacities and rising diesel prices make transport more expensive

Edition: 36 (August 2018)



### Proprietary and Confidential Material

Receipt of this document constitutes agreement and consent to keep its contents confidential. This document and all information contained herein are intellectual property of Capgemini Consulting and TRANSPOREON and therefore subject to copyright and other intellectual property rights.

Without the prior written permission of Capgemini and TRANSPOREON only single graphs or parts of the document may be reproduced or transmitted except with respect to copies made or transmitted internally by the client for the purpose of evaluating the contained information. In the event of such usage, no matter to which extent, the user must indicate that the usage takes place with "kind permission of the company TRANSPOREON GmbH and Capgemini Consulting".

The information contained herein is considered confidential (its release would offer substantial benefit to competitors and vendors offering similar services). This material includes descriptions of knowledge, methodologies and concepts derived through substantial research and development efforts undertaken by Capgemini Consulting and TRANSPOREON.

Therefore, it is the position of Capgemini Consulting and TRANSPOREON that the use or release of the information contained in this document for purposes other than an evaluation of its contents as a basis for internal product direction purposes is prohibited.

© Capgemini/TRANSPOREON 2018

## Summary

This is the 36th edition of the Transport Market Monitor. It outlines developments in European road transport rates and includes the figures of the second quarter of 2018.

- In Q2 2018, the capacity index decreased by 36.3% to 70.1 compared to the previous quarter (index 110.1). In Q2 2017 the capacity index was 65.8, which means the index value for Q2 2018 is 6.6% higher than in 2017.
- The price index increased in Q2 2018 to an index of 107.9, which is an increase 17.2% compared to Q1 2018 (index 92.1). Compared to the price index of Q2 2017, the price index increased by 6.6%.
- The diesel index showed an increase of 9.3% compared to Q1 2018.
- In Q2 2018 trade volumes in Europe are expected to decrease by 11.6% to €2060 billion compared to Q1 2018 (€2330 billion).

These are the conclusions of the Transport Market Monitor by TRANSPOREON and Capgemini Consulting, a quarterly publication, which aims to track transport market dynamics.

*This report is the thirty-sixth edition of the Transport Market Monitor. Each quarter, a new edition will outline the developments during the past three months and reviews additional themes in transportation.*

*All indices in this report are based on the logistics platform TRANSPOREON, which handles a yearly transport volume (different truck types, mainly FTL and LTL), covering all European countries. Information is anonymously exported from the platform and aggregatedly analyzed by Capgemini Consulting.*

*The figures in the Transport Market Monitor date back to January 2008: the earliest point of measurement of the index figures. For all indices, the average figures of the six months period January 2008 till June 2008 (H1 2008) have been set as the basis for comparison (Index 100).*

## Price index returns to all time high

This section of the Transport Market Monitor outlines the quarterly developments of the price and capacity index, since the beginning of the measurements in 2008 until the second quarter of 2018.

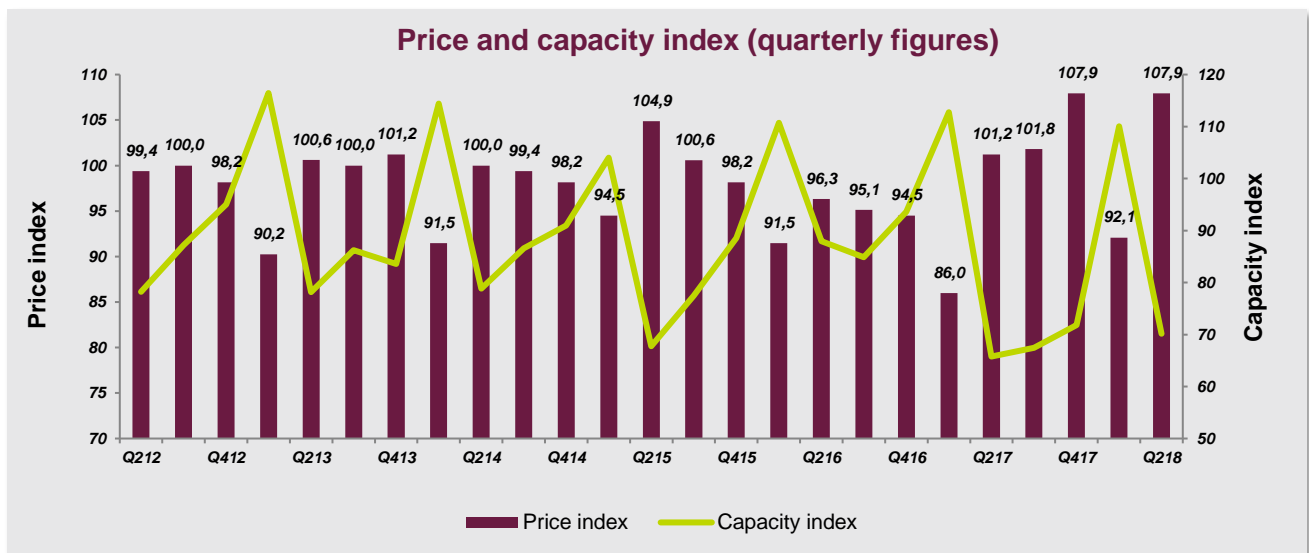
In Q2 2018, the capacity index decreased by 36.3% to 70.1, compared to the previous quarter (index 110.1). In Q2 2017 the capacity index was 65.8, which means the index value for Q2 2018 is 6.6% higher than in 2017.

The price index (see Figure 1) increased in Q2 2018 to an index of 107.9, which is an increase of 17.2% compared to Q1 2018 (index 92.1). Compared to the price index of Q2 2017, the price index increased by 6.6%.

*The price index is calculated by comparing the average price per kilometer over time.*

*The Capacity Index is an indicator for "available capacity", the ratio between absolute demand and capacity. The capacity index is calculated by comparing the average number of bids in response to a transport request over time.*

Figure 1: Price and capacity index, quarterly (Q2 2012 – Q2 2018)



For the price and capacity indices, the average figures of the six months period January 2008 till June 2008 have been set as the basis for comparison (Index 100). Figure 1 shows the indices of the last 25 quarters.

## Capacity declines to 2017 level with higher prices

This section of the Transport Market Monitor depicts the monthly developments in the price and capacity index over the last twelve months (see Figure 2). In Q2 2018, the capacity index showed a strong but expected decline, with an average of 69.9 during these three months.

The price index showed an incremental pattern, with May showing the highest price index since October 2017. When comparing the average prices of Q2 2018 with Q2 of 2017 and Q2 of 2016, it becomes clear that this year has the highest Q2 price index.

Whereas the year started with the highest capacity index in the past months, the capacity dropped, as expected, to a similar level to the end of 2017. The lowest capacity index was seen during May, where capacity dropped to 65.4.

Figure 2: Price and capacity index, monthly (July 2017 – June 2018)

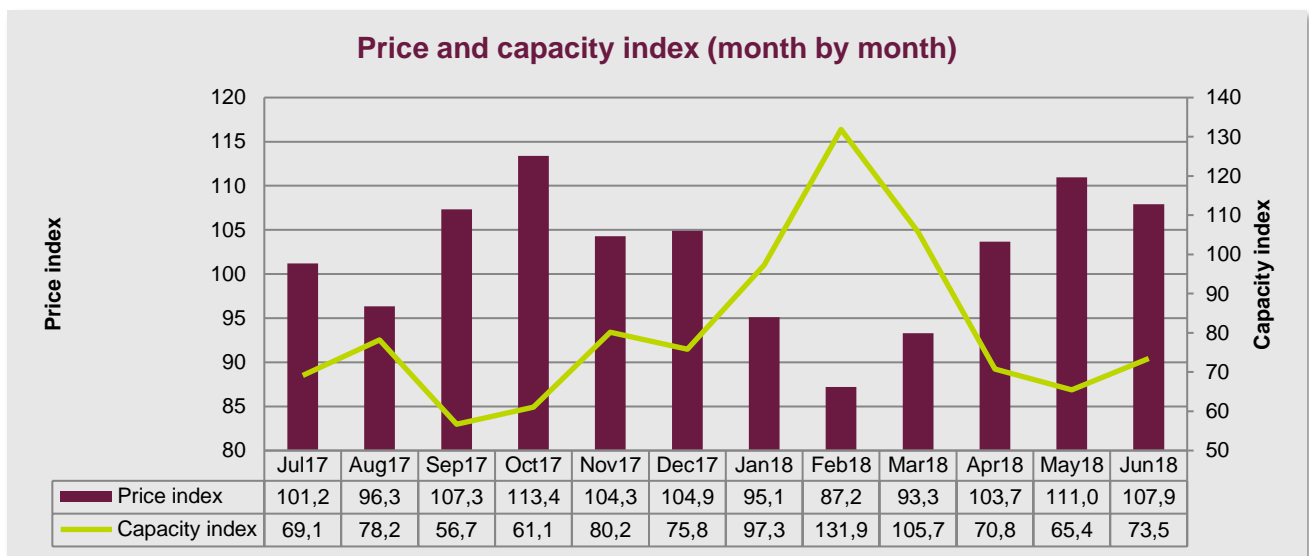


Figure 3 compares the monthly development of the price index over the last twelve months, to the same period one year before. In Q2 2018, the price has started to pick up again. This trend, again, is very similar to the same period in 2017, but remains at a higher constant level.

Figure 3: Price index comparison, monthly (July 2016 - June 2018)

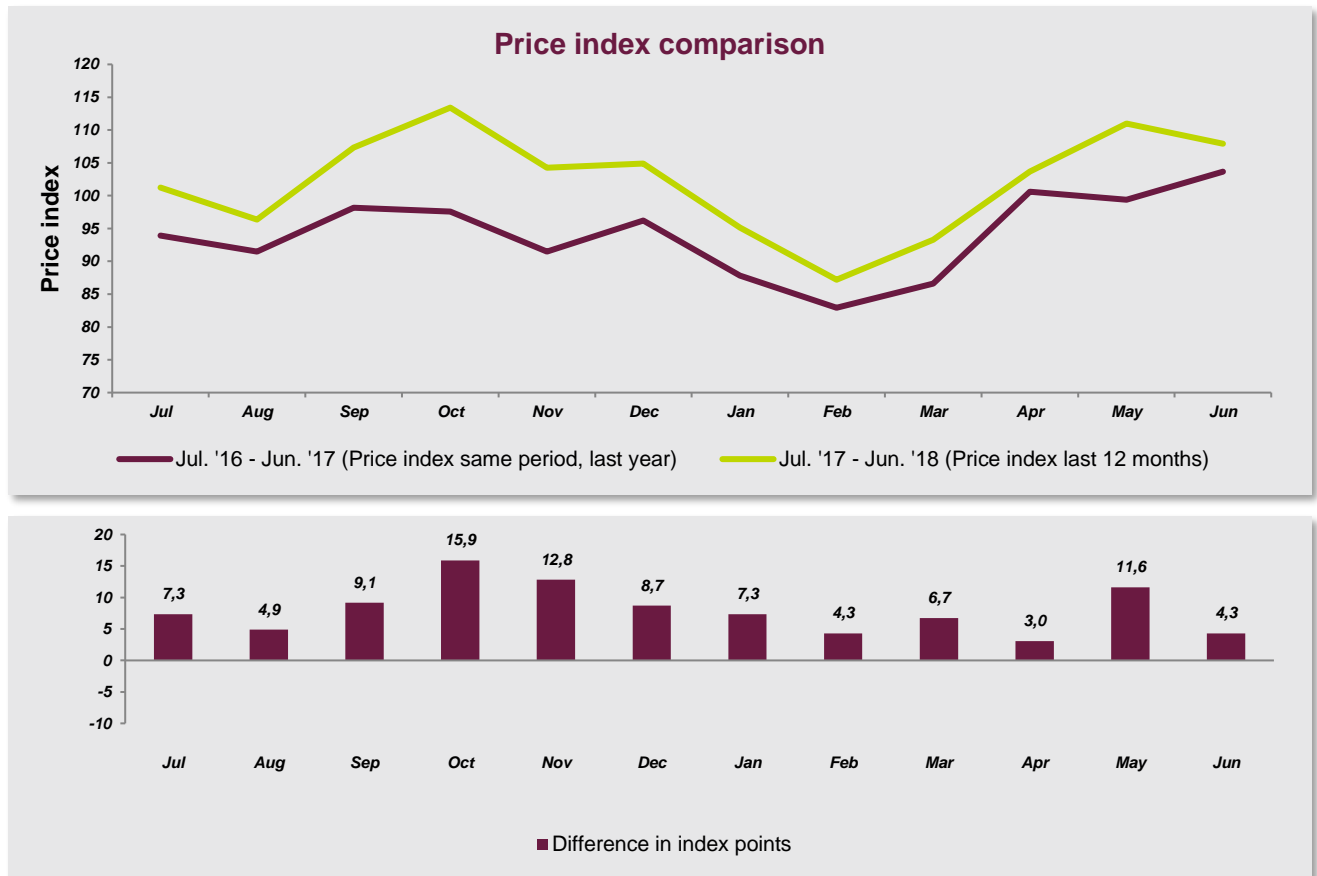
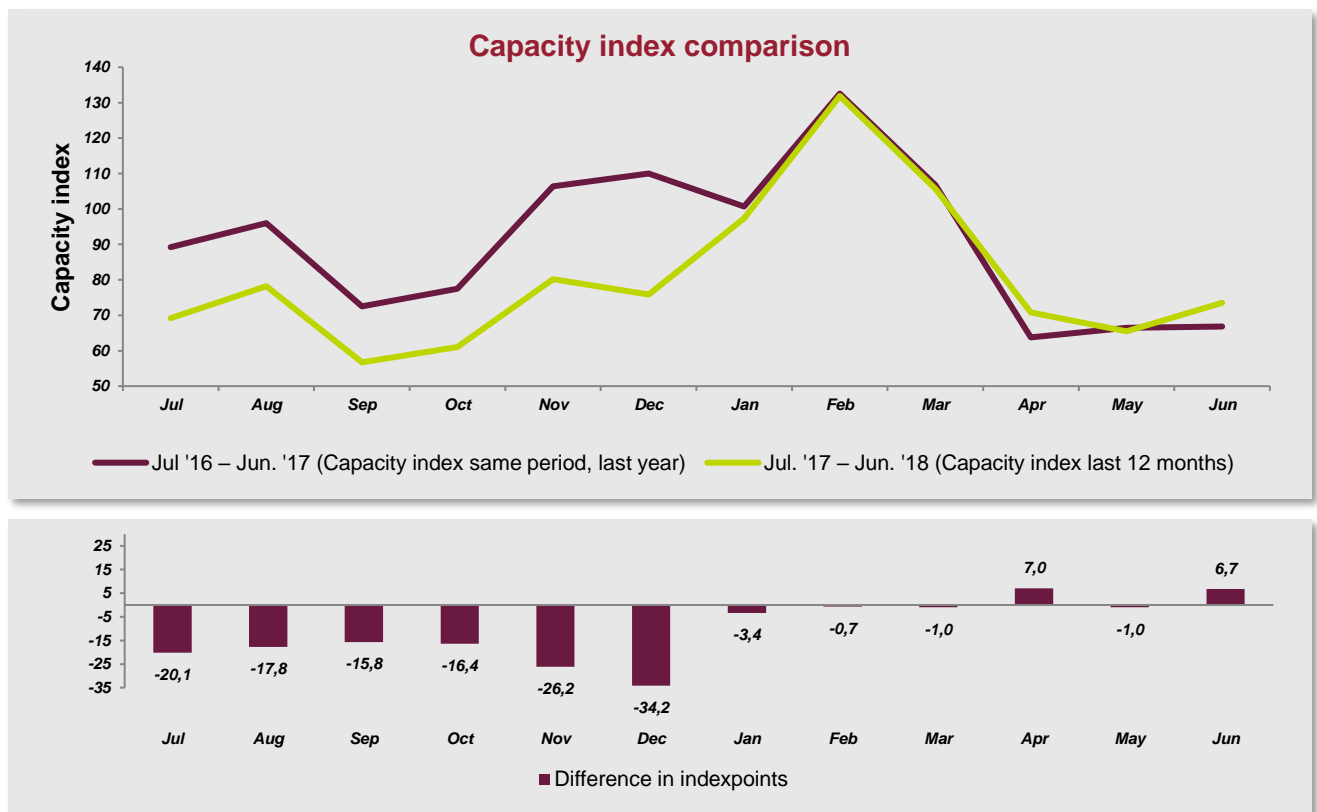


Figure 4 compares the monthly development of the capacity index during the previous twelve months to the same period one year before. It can be seen in the figure below that the available capacity of this and the previous quarter are very similar compared to last year pattern, while the price index was up to 11.6 points higher in Q1 and 2 2018 compared with 2017 (see Figure 3).

Figure 4: Capacity index comparison, monthly (July 2016 - June 2018)



## Industry focus

General economic conditions apply to most industries, but trends may be stronger or weaker in individual industries. Analysis of the price index by the type of industry identifies these differences, visualized in Figure 5.

Although the previous quarter showed a decline, Q2 2018 shows an increase across all industries. Both the construction and paperboard/print industries show a noticeable increase. The paper industry shows an increase of 17.5% compared to last quarter going from an index of 98.6 to 115.9. The construction industry went from an index of 86.2 in Q1 2018 to 101.6 Q2 2018.

*The TRANSPOREON platform handles transport for almost all industries. For the Transport Market Monitor, three different industry types have been analyzed individually.*

*Each chart in Figure 5 depicts the price development for that particular industry, indexed against the industry baseline (H1 2008).*

The timber index remains stable, showing only a 4.1% increase this quarter, going from an index of 100.8 to 104.9 in Q2 2018.

Figure 5: Price index for different industries (Q1 2008 – Q2 2018)

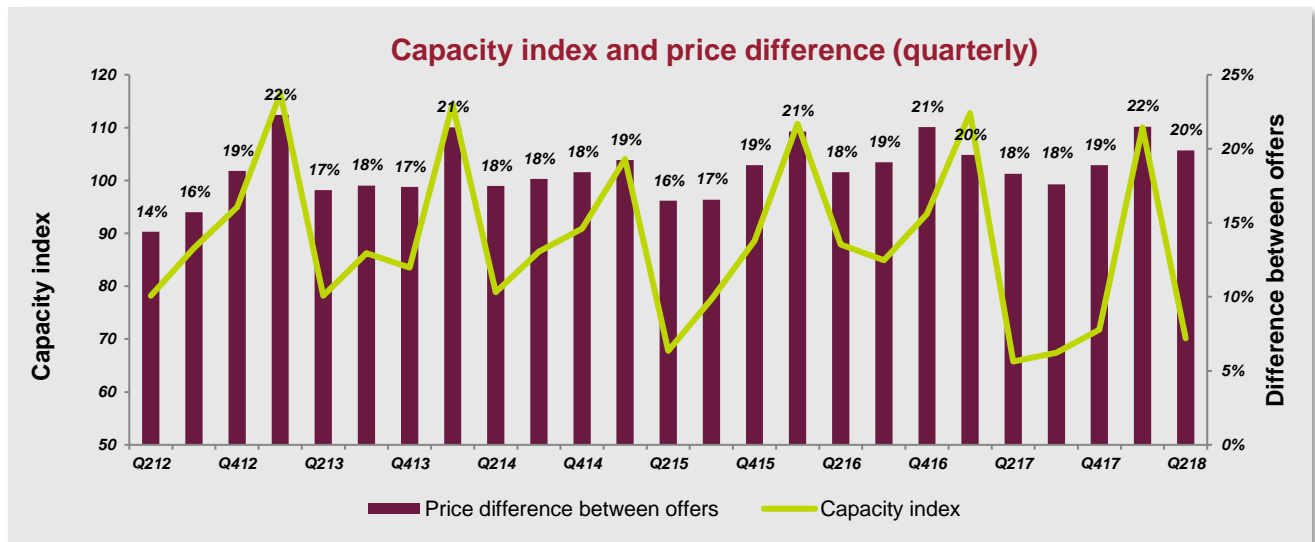




## Price trend similar to previous years

This section outlines transport dynamics, by analyzing the price difference between the highest and the lowest price offered per transport order. Figure 6 illustrates the price difference between offers, and the development of the capacity index. In the second quarter the price difference dropped to 20% as opposed to 22% in the previous quarter. This is slightly higher than previous years but shows the same trend as in 2017.

Figure 6: Capacity index and price difference (Q2 2012 – Q2 2018)



The price difference is an average figure. In general, price differences increase with the distance to be travelled (see TMM, edition 1). Figure 6 shows the differences of the last 25 quarters.

## Diesel index shows incremental growth

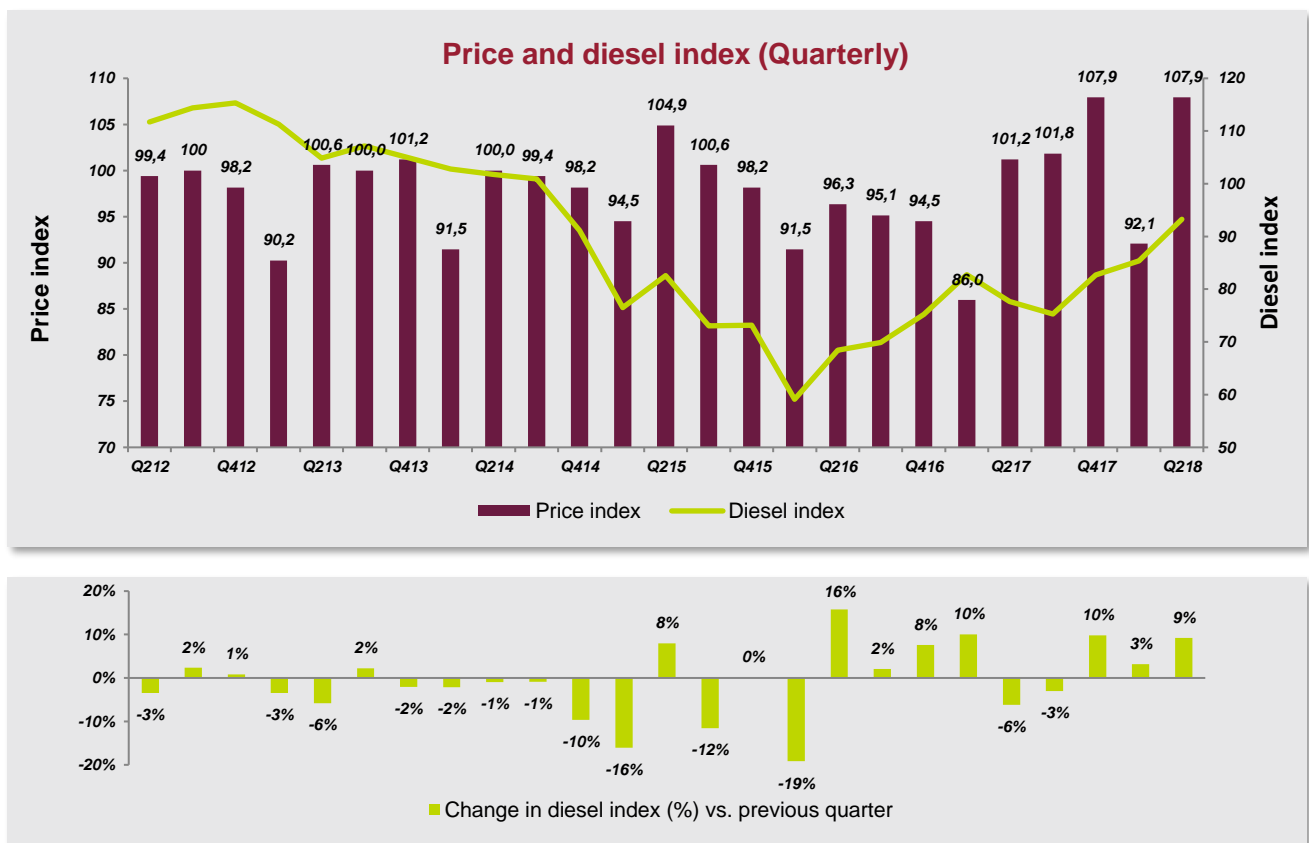
This section compares the price index with the diesel index (see Figure 7). In general, there is a positive correlation between the diesel index and the price index, clearly indicating the impact of diesel prices on transportation costs and consequently prices.

Q2 of 2018 showed a significant increase in the price compared to Q1 2018, namely 17.2%. The diesel index, however, also showed an increase of 9.3% compared to Q1 2018. The diesel index shows a consistent increasing pattern.

*For the diesel index, the average figures of the six month period January 2008 till June 2008 have been set as the basis for comparison (index 100), similar to the other indices used in this report.*

*The calculation of the diesel index is based on diesel price figures across the European Union, obtained from the European Commission via <http://ec.europa.eu/>.*

Figure 7: Price index and diesel index (Q2 2012 – Q2 2018)



For the price and capacity indices, the average figures of the six months period January 2008 till June 2008 have been set as the basis for comparison (Index 100). Figure 7 shows the indices of the last 25 quarters.

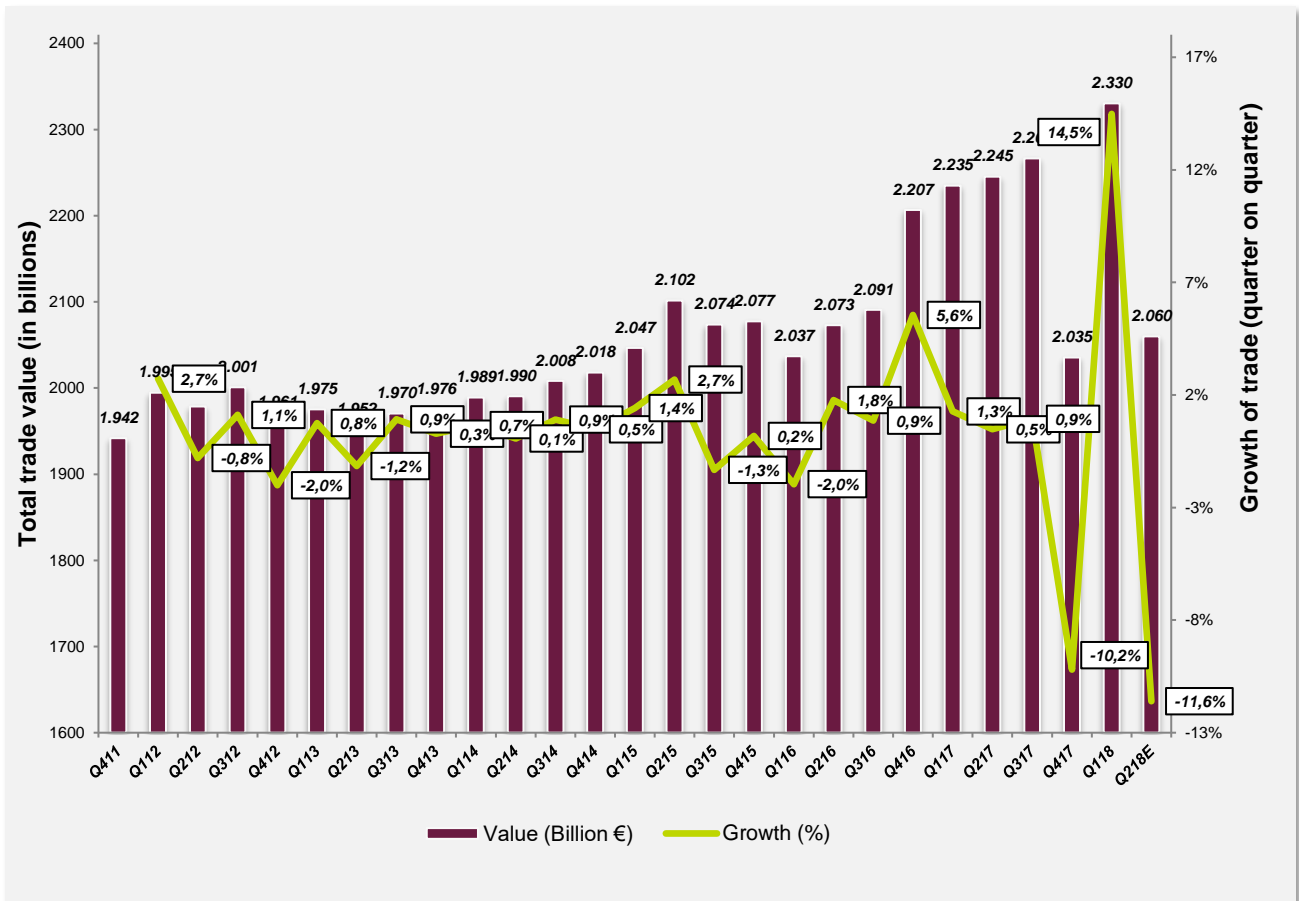
## Largest expected decrease for the ETFI since Q4 2011

This section features the European Trade Flow Index (ETFI). The ETFI is derived from the Capgemini Consulting's Global Trade Flow Index, a measure of worldwide trade. The volume of trade is a strong driver for transport demand and corresponding prices.

In Q2 2018 trade volumes in Europe are expected to decrease by 11.6% to €2060 billion compared to Q1 2018 (€2330 billion). This could be the largest decrease since the start of the ETFI measurements in Q4 2011. In comparison with the same period a year ago, Q2 2018, the Q2 2018 volume is expected to be 8.3% lower.

*Capgemini Consulting's Global Trade Flow Index tracks the trade of goods and services by quarter based on an analysis of a number of trade and market-related parameters from the latest available official data (related to the import and export of goods and services) from national agencies. It is tailored to the European market for this report, providing the European Trade Flow Index.*

Figure 8: European Trade Flow Index (Q4 2011 – Q2 2018E)



Additional services related to the TMM

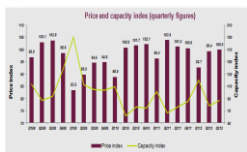
## Transport Market Developments

### A portfolio of offerings



#### Transport Market Radar

- Information on the most recent price and capacity developments in the European transport market
- **Monthly** dashboard about transports in Europe and within Germany
- Industry focus for transports within Germany
- Please find more information [here](#)



#### Transport Market Monitor

- Provides **key insights** in the European transport market with the quarterly overview of the most important trends
- Quarterly report
- Please find more information [here](#)

## Next edition

This edition looked at the price and capacity developments since the beginning of the Transport Market Monitor in 2008. It outlined a significant capacity index decrease, with an increase in the price index in Q2 2018, in comparison with the first quarter of the year.

The next edition, number 37, will include the figures for Q3 2018. It will be published in November 2018.

## About the Transport Market Monitor

The aim of the Transport Market Monitor is to provide insights into the development of transport prices, and other transport market dynamics to logistics executives and other interest groups. It is a joint initiative of TRANSPOREON and Capgemini Consulting.

The indices in the Monitor are based on the logistics platform TRANSPOREON, on which shippers tender and process their transport needs to their preferred transport partners on a daily basis. The platform handles a yearly transport volume of over €2 billion in all European countries. Anonymously, information is unlocked from the platform and analyzed by Capgemini Consulting. This results in monthly indices which are published on a quarterly basis. In addition to each publication of the Monitor, one or more market themes are discussed, supported by detailed analysis.

TRANSPOREON and Capgemini Consulting can help you to find the right strategy between static and dynamic prices. Additional information about both companies and their service offerings is available upon request.

This report is available at <http://www.transportmarketmonitor.com>. More information about the products and services of both TRANSPOREON and Capgemini Consulting can be obtained via the contact information provided at the back of this report.

---

### TMM-team:

Capgemini Consulting: Thomas Fortgens (NL), Ilka Hendriksen (NL), Sven de Jong (NL), Lars Vitters (NL), Florentin Braunewell (DE), Tobias Braun (DE)

TRANSPOREON: Oliver Kahrs (DE), Monika Stahl (DE)

## About Capgemini and TRANSPOREON



### About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 200,000 team members in over 40 countries. The Group reported 2017 global revenues of EUR 12.8 billion (about \$14.4 billion USD at 2017 average rate).

Visit us at [www.capgemini.com](http://www.capgemini.com). *People matter, results count.*

Capgemini Consulting is the global strategy and transformation consulting organization of the Capgemini Group, specializing in advising and supporting enterprises in significant transformation, from innovative strategy to execution and with an unstinting focus on results. With the new digital economy creating significant disruptions and opportunities, the global team of 3,500 talented individuals work with leading companies and governments to master Digital Transformation, drawing on their understanding of the digital economy and leadership in business transformation and organizational change.

Find out more at:

<https://www.capgemini.com/consulting/>



### About TRANSPOREON

The logistics platform TRANSPOREON connects shippers from industry & trading companies with carriers, drivers & consignees – and optimizes and accelerates logistics processes. Users of the platform receive web-based SaaS (Software-as-a-Service) solutions as electronic transport assignment, time slot management and transport visibility. TRANSPOREON allows reducing dispatch and freight costs, while minimizing waiting times during loading and unloading.

Currently more than 1.000 industry and trading companies, more than 65,000 carriers and more than 100,000 users from 100 countries are connected via the TRANSPOREON platforms. The platforms as well as the customer service are available in 24 languages.

Operating company of the logistics platform TRANSPOREON is the international TRANSPOREON Group. Other solutions the group is offering are the tender platform TICONTRACT and the retail logistics platform MERCAREON. More than 510 employees are on site throughout Europe, the U.S.A., Russia and Asia.

Learn more about us at: [www.transporeon.com](http://www.transporeon.com)

## Capgemini Consulting

For more information, contact:

**Benelux:**

**Lars Vitters**

Tel: +31 6 531 685 63

E-mail: [lars.vitters@capgemini.com](mailto:lars.vitters@capgemini.com)

**Germany/Switzerland:**

**Ralph Schneider-Maul**

Tel: +49 221 9126 44182

E-mail: [ralph.schneider-maul@capgemini.com](mailto:ralph.schneider-maul@capgemini.com)

**UK:**

**Steve Wilson**

Tel: +44 870 366 0236

E-mail: [steve.wilson@capgemini.com](mailto:steve.wilson@capgemini.com)

**Italy:**

**Via: Lars Vitters**

Tel: +31 6 531 685 63

E-mail: [lars.vitters@capgemini.com](mailto:lars.vitters@capgemini.com)

**Austria:**

**Ralph Schneider-Maul**

Tel: +49 221 9126 44182

E-mail: [ralph.schneider-maul@capgemini.com](mailto:ralph.schneider-maul@capgemini.com)

**France:**

**Gerald Murat**

Tel: +33 6 78 90 68 64

E-mail: [gerald.murat@capgemini.com](mailto:gerald.murat@capgemini.com)

**Nordic Countries:**

**Michael Eriksson**

Tel: +46 702 57 51 95

E-mail: [michael.eriksson@capgemini.com](mailto:michael.eriksson@capgemini.com)

**Poland:**

**Via: Lars Vitters**

Tel: +31 6 531 685 63

E-mail: [lars.vitters@capgemini.com](mailto:lars.vitters@capgemini.com)

<https://www.capgemini.com/consulting/>

## TRANSPOREON

For more information, contact:

**Balkans:**

**Armin Musija**

Tel: + 43 (0) 664 1966 542

E-mail: [musija@transporeon.com](mailto:musija@transporeon.com)

**Benelux/UK:**

**Michel Haenen**

Tel: +31 6 123 95 308

E-mail: [haenen@transporeon.com](mailto:haenen@transporeon.com)

**Germany/Switzerland and Nordic countries:**

**Ron Heijman**

Tel: + 31 (0) 6100 60 382

E-mail: [ron.heijman@transporeon.com](mailto:ron.heijman@transporeon.com)

**Italy:**

**Roberto Ostili**

Tel: +39 050 552168

E-mail: [ostili@transporeon.com](mailto:ostili@transporeon.com)

**Austria:**

**Armin Musija**

Tel: + 43 (0) 664 1966 542

E-mail: [musija@transporeon.com](mailto:musija@transporeon.com)

**France:**

**Valérie Carreau**

Tel: +33 1 39 21 92 15

E-mail: [valerie.carreau@transporeon.com](mailto:valerie.carreau@transporeon.com)

**Spain:**

**Miriam Ribas**

Tel: + 34 977 6200 39

E-mail: [ribas@transporeon.com](mailto:ribas@transporeon.com)

**Poland/Slovakia/Czech:**

**Mariusz Nowak**

Tel: +48 12 631 20 88

E-mail: [mariusz.nowak@transporeon.com](mailto:mariusz.nowak@transporeon.com)

**Romania/Hungary:**

**Tibor Batki**

Tel: + 36 30 495 4616

E-mail: [batki@transporeon.com](mailto:batki@transporeon.com)

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

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

*Transport Market Monitor is a joint initiative from TRANSPOREON and Capgemini Consulting*