

MONTHLY BAROMETER

TRENDS IN ROAD FREIGHT PRICES IN FRANCE



FRENCH MARKET:

road transport prices rise in November

Against all expectations, road transport prices rose again in November. They benefited from the rise in fuel prices and an increase in contract prices in France.

France continues to go through a turbulent political period. In November, the main objective of the then Prime Minister, Michel Barnier, was to fix a budget for 2025 for France, and to contain the increasing public deficit. In search of new sources of funding, the government was ready to go back on a strong marker of Emmanuel Macron's presidency, the reduction of taxes on businesses, this has greatly worried economic circles. Finally, no vote on The Finance Bill took place, because the government was the subject of a motion of no confidence on December 3, which led to the resignation of the Prime Minister.

Under these conditions, it is not surprising to see that business confidence has declined for the second month in a row. The business climate stood at 96 in November, losing 1 point as it did in October. Consequently, it is far from its long-term average level (100). This decline reflects in particular the decline in the business climate in services (-2 points, after +2 points in October), in construction (-1 point, after +0 points), in retail trade including motor trade and repair (-1 point, after -1 point) and in wholesale trade (-2 points, after +2 points in September, this indicator being bimonthly). S&P's Composite PMI Index concerning the overall activity in France only confirms the pessimism. It fell in November to 44.8, according to the flash publication of 22 November, i.e. -3.3 points compared to October, marking a ten-month low.

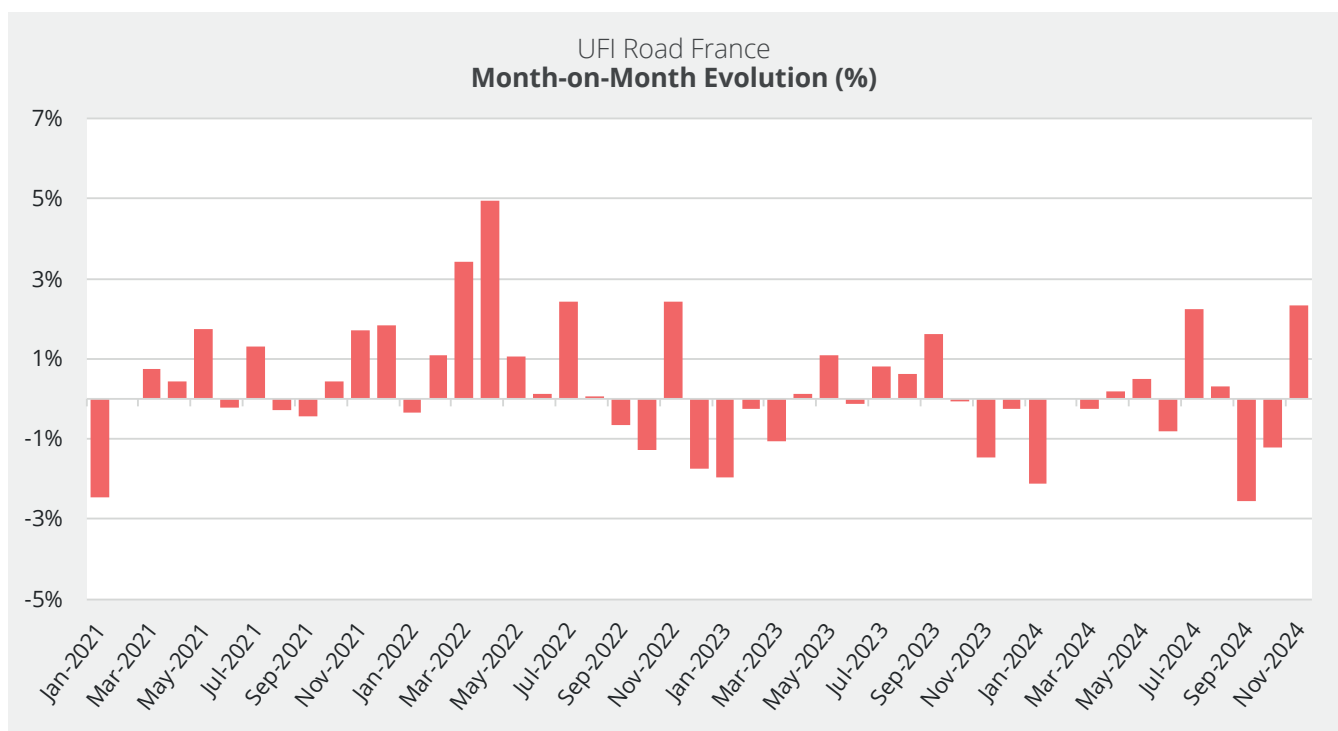
Clarification on transport prices

Despite this despondent business climate, road transport prices in France picked up again in November. They gained 2.3% month-on-month, after 2 successive declines: -1.2% in October and -2.5% in September.

This price increase is good news for transport companies, as many are facing [a deterioration in their profit margins](#). But this development remains quite surprising in a context of zero consumption growth and a surge in savings made by the French.

It must therefore at this stage be considered with caution.

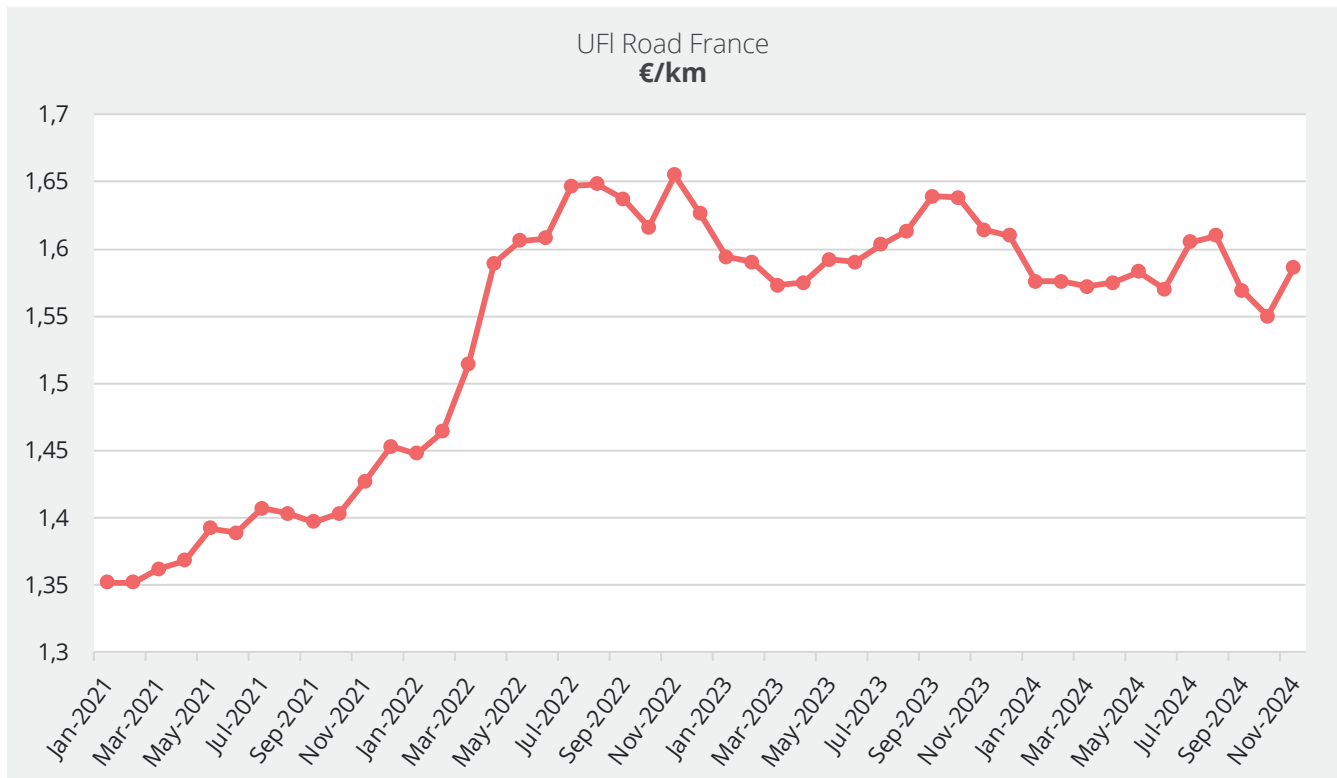
The variation in the price of oil, which affects freight rates with a slight delay given the operation of the pass-through mechanism, may have had an impact. Professional diesel, which has been rising steadily for the past two months, rose by 1.8% in both October and November. It is almost back to the level reached in August.



Source | [Upply Freight Index](#) – Road France

“ This price increase is good news for transport companies ”

The average transport price per kilometre travelled in France is therefore on the rise again and reached €1.586 in November. It is just above its 12-month rolling average (€1.581) and has been moving away for a while from the low reached in October, which was the lowest level since March 2022.



Source | [Upply Freight Index](#) – Road France

The average price, however, remains down 1.7% year-on-year. The issue of the collapse of carriers' profit margins is therefore more relevant than ever, as during the same period, costs have increased. In its commentary on the road freight transport indices of 30 November, the CNR indicates an inflation of more than 7% of drivers'

wage costs, and more than 5% for travel expenses. At the same time, structural costs also increased by more than 4% and maintenance and material costs by more than 3%. The only significant drop, but not an insignificant one, is that of diesel, down by more than 9%.

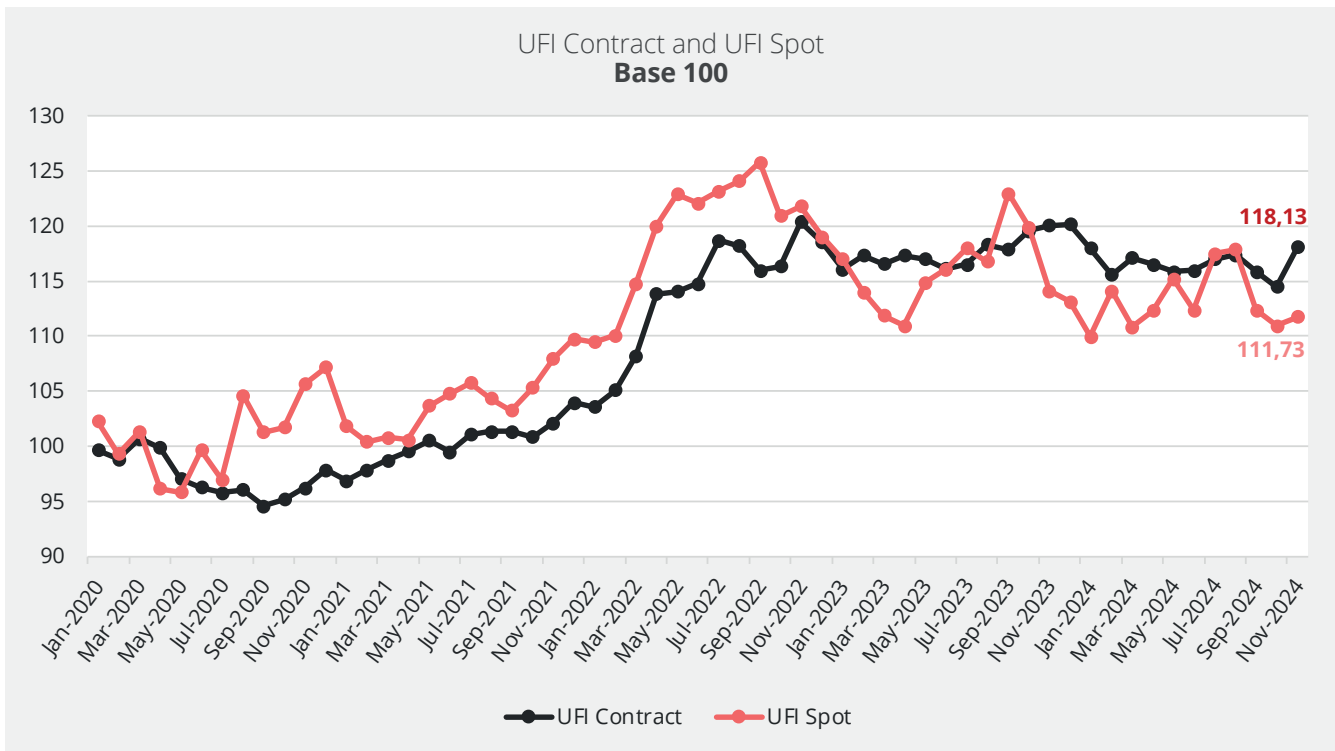
Surprise increase in contract prices

The SPOT index, which represents the benchmark price index in France for non-regular transport, has finally stopped its erosion observed since the summer. It rose by 0.7%.

The SPOT index is usually a telltale indicator of the strain of the transport market. A sharp increase is a sign of demand exceeding supply and vice versa. The variation recorded this month is too small for us to interpret it as a market reversal, because the

change in the price of diesel alone could explain that of the SPOT indicator.

We can therefore estimate that the traditional peak season is rather weak this year. We are in the last rush before the Christmas break and everything seems sluggish, with no apparent market tension.

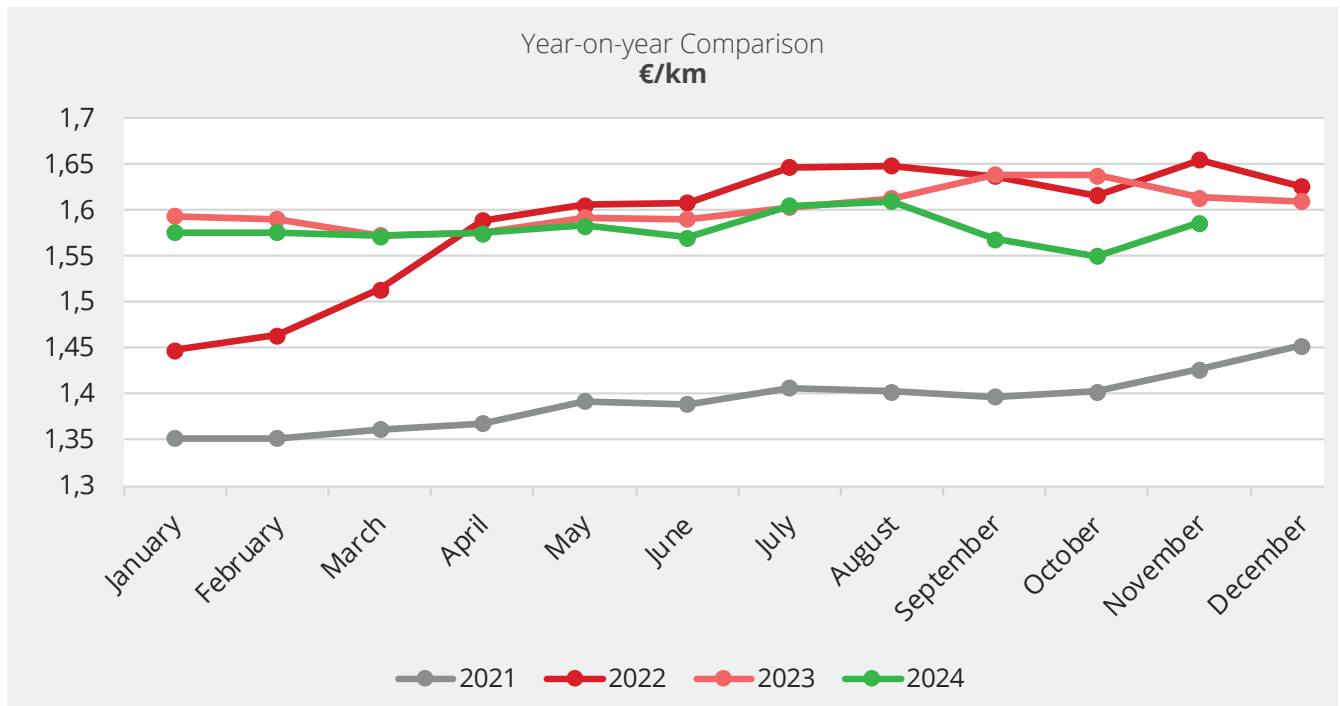


Source | [Uapply Freight Index](#) – Road France

A surprise, however, has come from the Contract Index which represents the contractual prices between shippers and carriers on the French market. It rose by 3.19% month-on-month. An increase in the index of more than 3% over one month is quite rare. This has only happened four times in the last five years, including three times in 2022, April, July and November. Each time this was linked to the violent turbulence of Brent and their impact on diesel prices.

“The balance of power currently seems rather favourable to shippers”

But in November 2024, no such fluctuation can explain this increase. The phenomenon is therefore too atypical to suggest any definitive explanations. The evidence we have collected from certain market players indicate that carriers are asking for a fairly large increase in the rates of certain calls for tenders, in order to take into account the undeniable and significant increase in their operating costs. Are these demands at least partially taken into consideration, despite a market where the balance of power currently seems rather favourable to shippers? It is still too early to tell. We will first see in December whether this trend is confirmed or corrected. We remind our readers that our price estimates are based on real transactions. The index may be subject to further revisions, as new data for the month of November may have been integrated into the Uapply database after the extraction used for this barometer. But it is certain that the increase in the CONTRACT index is alone responsible for the significant increase in prices in November on the French market.



Source | [Uply Freight Index](#) – Road France

The comparison of the annual curves is very telling. We can see that the 2024 curve is approaching the curves of 2022 and 2023 and therefore limiting the stall recorded since the summer.

Once again, we will see in the coming months whether this November catch-up is an isolated phenomenon or not. It seems more likely to us that the transport market will align with the business index in France. However, for the time being, it is clearly stagnating under the weight of the uncertainty in economic circles linked to the political and economic fragility of France, but also of its main partner, Germany.

KEY INDICATORS

Sources | Insee, CNR

INDICATORS	November 2024	October 2024	Evolution M / M-1	November 2023	Evolution over 12 months
Business climate (base 100)	96.1	97.4	- 1.3%	97.9	- 1.9 %
CNR Commercial Diesel Index	187.41	184.12	+ 1.8 %	209.36	- 10.5 %
CNR's Long Haul semi trailer truck index	161.88	161.19	+ 0.4 %	161.57	+ 0.2 %



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THE TECHNOLOGICAL SOLUTIONS PLATFORM THAT BOOSTS SUPPLY CHAIN ACTORS' EFFICIENCY

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