MONTHLY BAROMETER

TRENDS IN ROAD FREIGHT PRICES IN FRANCE

January 2025

upply

ROAD TRANSPORT PRICES FALL IN JANUARY

ON THE FRENCH MARKET

Road transport prices fell quite significantly in January. Demand for transport continues to decline across France. Carriers must protect their cash flow, which may weigh on wages and investments.

The political uncertainty that has shaken France since the dissolution of the National Assembly in June 2024 has weighed on growth. After a third consecutive quarter of growth, this time of 0.4%, mainly due to an Olympic Games effect, GDP fell by 0.1% in the fourth quarter.

This slowdown is amplified by a budgetary crisis: the public deficit has worsened to reach almost €175 billion, or almost 6 points of GDP. In 2025, efforts are expected to be made in order to put France back on a deficit reduction trajectory. The budget project drawn up by the Barnier government planned to reduce this deficit to 5 points of GDP in 2025, but the vote of no confidence of this government made these forecasts obsolete. Finally, the finance bill for 2025 of the new Bayrou government, adopted in early February, announces a deficit of 5.4 GDP points.

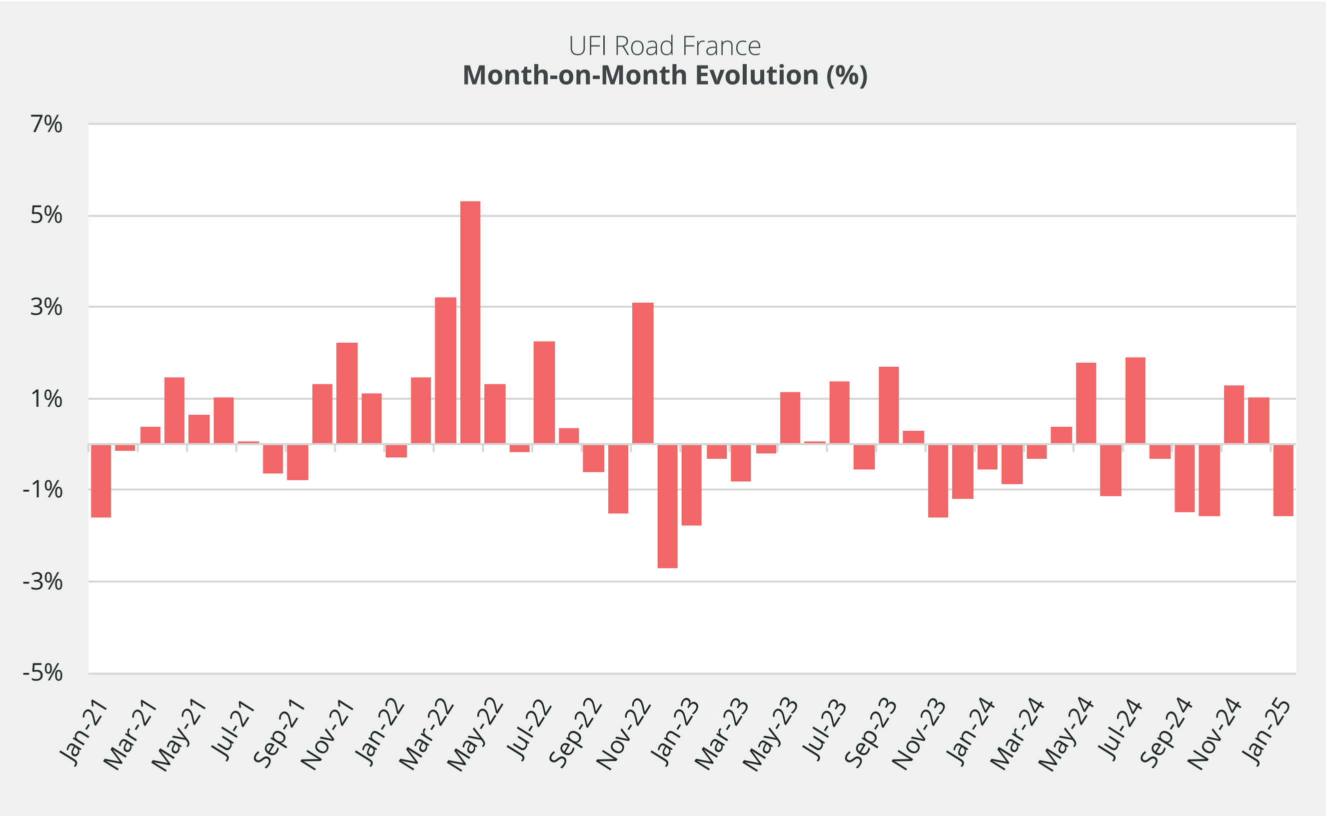
> **“Opinion balances on future demand and order books are deteriorating”**

This projection is based on a growth forecast of +0.9% in 2025, according to the latest revision of the Finance Bill of January 2025, which corresponds to a slowdown compared to the +1.1% recorded in 2024. A figure that seems optimistic: in a report on the situation of public finances, the Court of Accounts recalls that the consensus of economists has for its part been revised and now forecasts +0.7%. Indeed, the budgetary efforts necessary to reduce the public deficit will weigh on activity in the short term. On the other hand, economic actors are faced with a lack of visibility that has reached unprecedented levels. Geopolitical tensions and the virulent trade war relaunched by the Trump administration will weigh on the economic outlook. Furthermore, France is also suffering from the difficulties of its main European partner, Germany.

INSEE's economic investigations reflect a certain pessimism. Despite a 0.5% increase over one month, the business climate remains well below its long-term average. Opinion balances on future demand and order books are deteriorating in most sectors, which reinforces the scenario of weak growth in the first half of 2025.

A drop in demand that pushes transport prices down

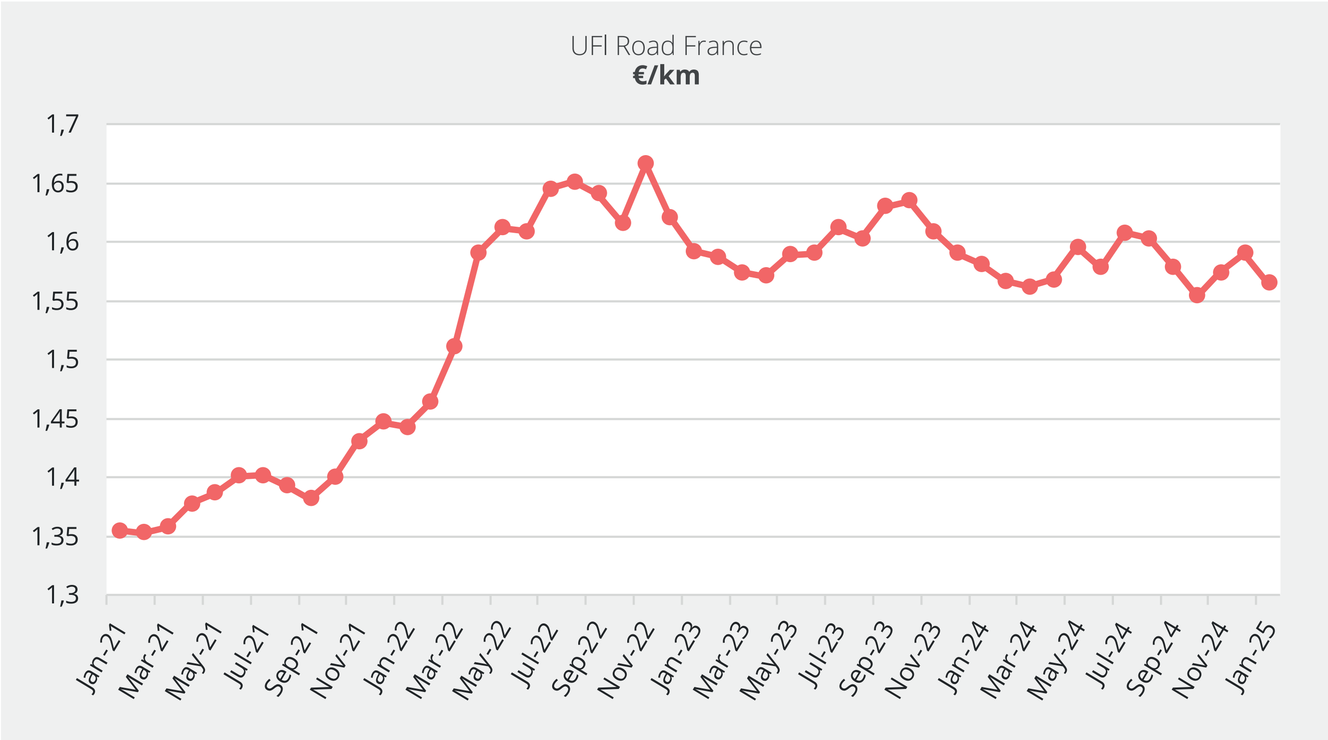
Road transport prices in France also reflect the weakness of activity, with a fairly severe decline in January. They fell by 1.6% month-on-month, confirming the fears of business leaders who see volumes falling and meager order books.



Source | Upply Freight Index – Road France

The average price of transport per kilometre driven in France fell in January to reach €1.565, losing 2.5 cents over a month.

> **“Road transport prices in France also reflect the weakness of activity”**



Source | Upply Freight Index – Road France

On the other hand, the study of the 12-month moving average curve of transport prices in France indicates a notable decline of more than 0.1% per month, going against the inflation of transport costs and beyond the fall in diesel prices. The erosion of the volumes of goods transported in the second and third quarters pushed the indicator down.

Rising costs

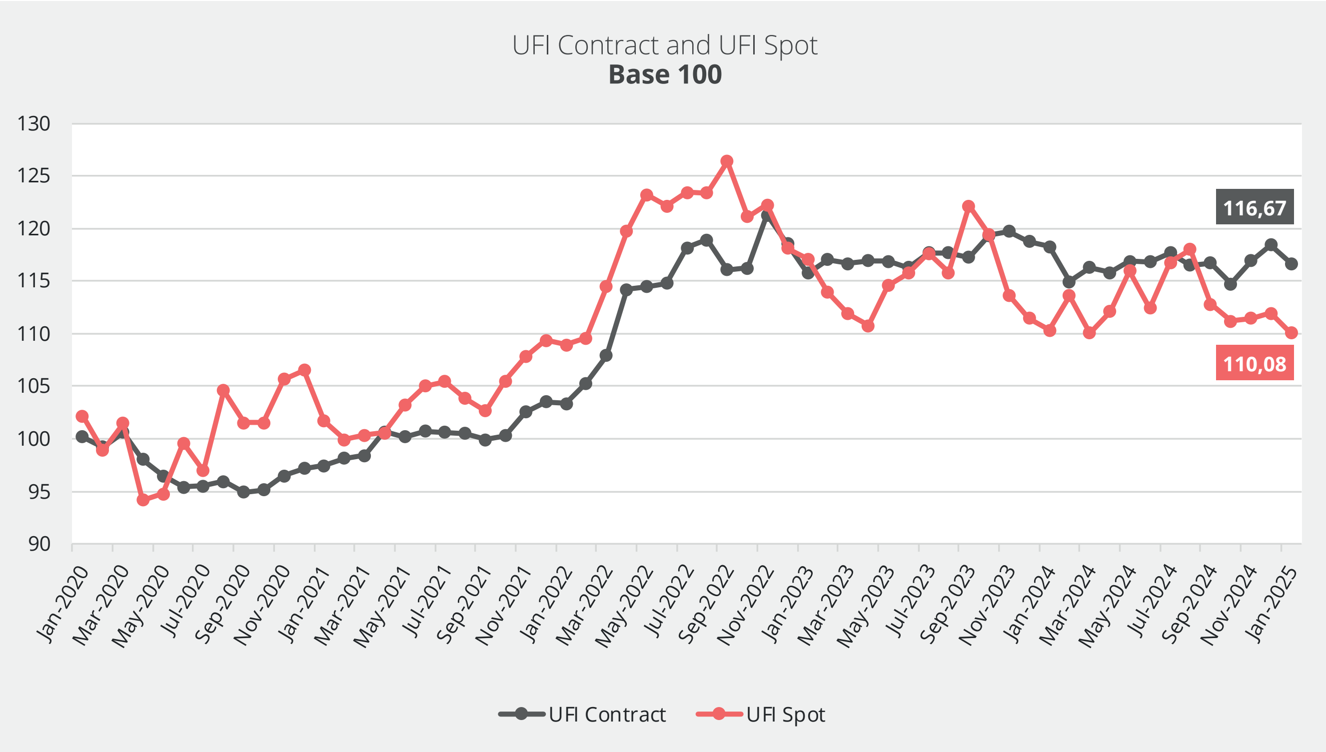
At the same time, commercial diesel continued to increase, recording a 4.2% month-on-month increase. This is the fourth consecutive month of rises, bringing the increase to almost 9% over the period. We will see next month if we observe an upward correction in transport prices in relation to this significant surge in the price of commercial diesel of 4.2% in January, as it is always passed on with a slight delay.

Year-on-year, the CNR Long Distance Articulated Unit indicator showed a 0.5% increase in costs. Indeed, if fuel costs are down 2.6% compared to January 2024, other costs are trending upwards (drivers, equipment, structure, tolls, etc.).

« Commercial diesel continued to increase »

Spot and contract markets evolving in unison

The Spot Market Price Index and Contract Market Price Index showed a roughly similar development in January. They fell by -1.7% and -1.5% respectively month-on-month.



Source | Upply Freight Index – Road France

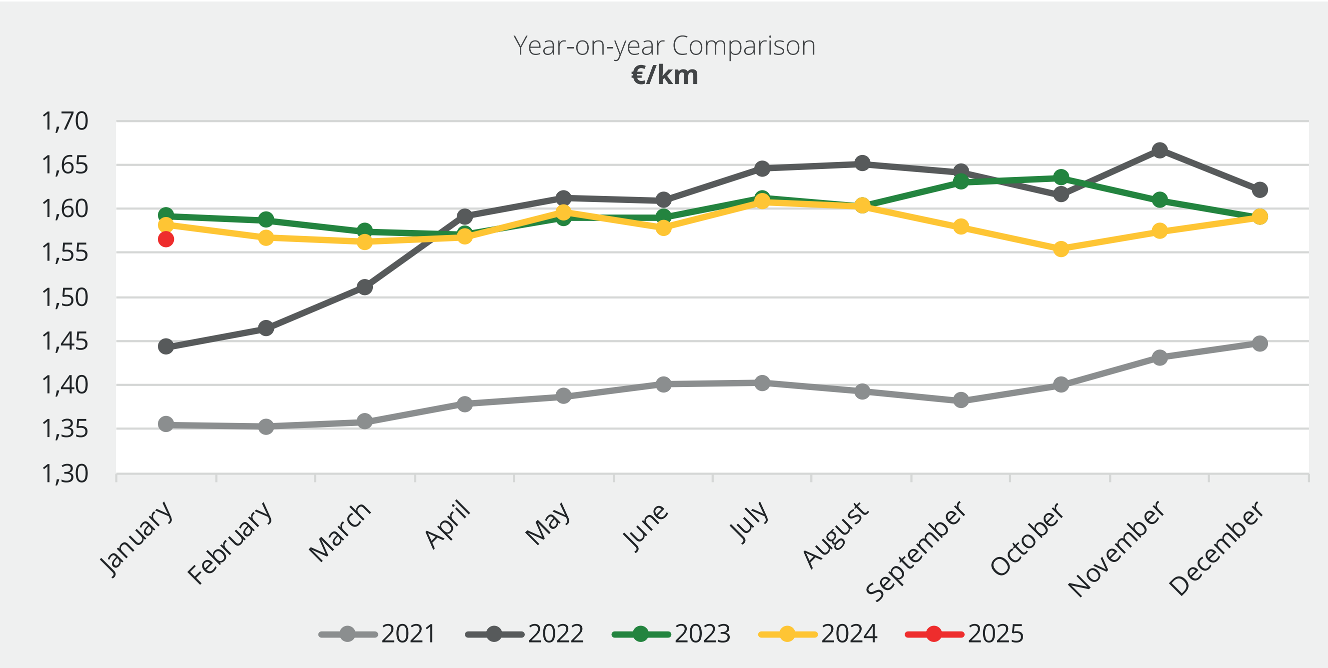
The beginning of the year, after the holidays, is generally unfavourable for the spot market. This year was no exception. In a market where volumes have been declining over the long term and were weak in January, the contrary would have been very surprising.

The contract price index also fell, dragging down all of French transport with it. As we reported last month, major transport buyers are now playing the market to negotiate lower prices without fear of difficulty accessing capacity.

“ The contract price index also fell ”

Cost control that could fuel social tensions

The 2025 curve is summed up as a single point on the graph below. However, it can be observed that 2025 belongs to the homogeneous group formed by the years 2023, 2024 and 2022 from April onwards.



Source | Upply Freight Index – Road France

The fall in transport prices, combined with cost inflation, is damaging the cash flow of French carriers.

In this difficult context, the room for manoeuvre for carriers in terms of salary increases is very limited. According to the annual weighting retained by the CNR in the synthetic indices for 2025, the driver cost item represents 29.1% of long-distance costs and 31.6% in regional costs. After three meetings in the framework of mandatory annual negotiations (NAO), the social partners failed to agree on a possible increase in conventional wages in road freight transport (RFT) in 2025. The employers' organisations have all proposed a 0% salary increase, and the FNTR has added a proposal for a 1.5% increase in travel expenses.

Yet, while inflation has slowed, it still remains significant, which could lead to a return to social tensions in the road transport sector, even though they had disappeared in recent years, and notably even during the conflict over pensions in 2023.

“ The room for manoeuvre for carriers in terms of salary increases is very limited ”

Investments on hold

Regarding investments, the fall in interest rates will reduce the cost of borrowing and therefore the cost of investments. However, we must still exercise caution.

In 2024, the heavy goods vehicle segment showed a notable stability with 47,201 registrations. The financing conditions for 2025 are favourable, notably to meet the aim of continuing the electrification of the fleet in this segment. However, in a context of reduced profit margins, a significant decrease in registrations is expected in 2025. Carriers need substantial aid to continue on the path of ecological transition. In 2024, the E-trans programme made it possible to maintain support projects involving a total of 2,162 heavy goods vehicles. First of all, 137 SMEs received aid under a programme dedicated to them. That has permitted the financing of the acquisition or rental of 251 heavy electric vehicles, including 163 tractor units and 88 rigid trucks. According to a report from the ecological transition agency, the average aid was €65,000 per vehicle. In addition, a global call for projects also made it possible to finance the acquisition or rental of 988 tractor units and 923 heavy goods rigid trucks, with an average aid of €61,600 per vehicle.

In 2025, aid for the acquisition of an electric heavy goods vehicle will be allocated exclusively in the form of Energy Savings Certificates (ESC). This mechanism, defined by the CEE TRA-EQ-129 standardised operations sheet, has been effective since January. Carriers will be able to benefit from subsidies of €35,000 for a 19t rigid truck and €53,000 for those over 26 tons and tractor units.

“ In a context of reduced profit margins, a significant decrease in registrations is expected in 2025 ”

KEY INDICATORS

Sources | Insee, CNR

INDICATORS	January 2025	December 2024	Evolution M / M-1	January 2024	Evolution over 12 months
Business climate (base 100)	95,0	94,5	+0,53 %	98,9	-3,94 %
CNR Commercial Diesel Index	196,46	188,57	+4,18 %	201,70	-2,60 %
CNR’s Long Haul semi trailer truck index	165,13	162,55	+1,59 %	164,28	-0,52 %

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THE TECHNOLOGICAL SOLUTIONS PLATFORM THAT BOOSTS SUPPLY CHAIN ACTORS' EFFICIENCY

Upply, the Tech Platform serving freight transport professionals, **designs and develops digital solutions** to assist supply chain professionals in leveraging the full potential of digitalization for their business.
