



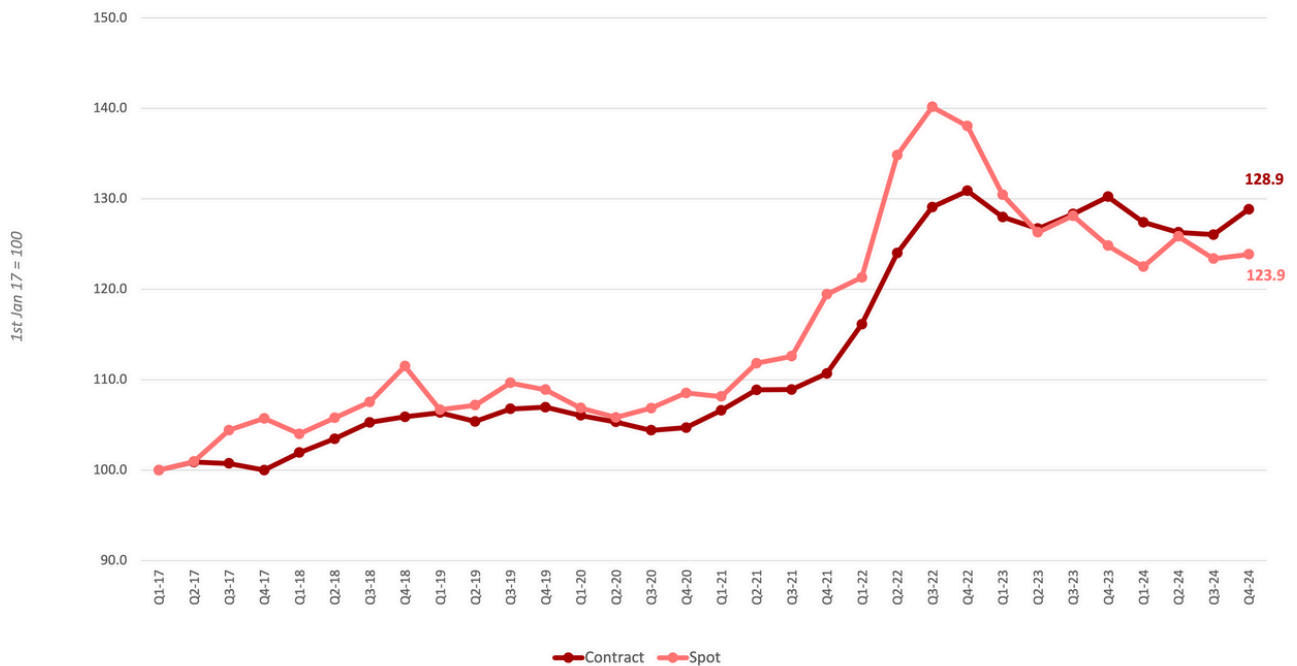
Press release

## European Road Freight Rate Benchmark Q4 2024: Contracts and spot rates indexes both increase

**Bath, 3rd of February 2025 - The Upply x Ti x IRU European road freight rates index for Europe shows Q4 rates rose in the contract index by 2.8 points q-o-q. Spot rates were relatively stable, the index rose by 0.5 points q-o-q. Year-on-year, the spot index is now down by 1.0 points whilst the contract index is down 1.4 points.**

- The Q4 2024 European Road Freight Spot Rate Benchmark Index rose to 123.9 points, 0.5 points higher than in Q3 2024 but 1.0 point down Y-o-Y.
- The Q4 2024 European Road Freight Contract Rate Benchmark Index rose to 128.9, 2.8 points higher than in Q3 2024 but 1.4 points less than in Q4 2023.
- According to IRU driver shortage data there are now vacancies in 500,000 driver positions across Europe, representing 12% of all positions.
- Diesel prices fell to their lowest value since January 2023 at the end of September (reaching €1.50/L) and the EU weighted average diesel price reached €1.57/L on 30 December (+4.6% versus September).
- The outlook for rates across Europe suggests moderate increases as costs remain high and demand, though weak, increases slightly.

European road freight rate indexes in Q4 2024



Source: Upply

The European Benchmark's trend has reversed from last quarter, where both contract and spot rates fell. In Q4-24 both indices recorded a rise, although the rise in spot rates was more marginal than the rise in the contract market.

The gap between spot and contract rates is diverging, with contract rates rising faster than spot rates. The Spot index first fell below contract rates in Q2-23 and has remained below the contract index for 7 consecutive quarters. Currently, the gap stands at 5.0 index points, slightly smaller than a year ago when the gap was 5.4 index points.

As contracts rise and spot rates marginally increase, European road freight is gradually recovering after a significant decline. The EU remains in a state of stagnation; in Q3 2024, seasonally adjusted GDP increased by 0.3% in the EU, compared with the previous quarter, according to Eurostat.

As demand shifted from goods to services, decreased demand for goods has led to transport volumes falling year-on-year, as retail trade excluding motor vehicles fell 0.8%. Quarter-on-quarter, demand recovered from a sluggish Q3 2024, as unadjusted retail trade volumes increased 3.8% in the build up to the holiday season. European port throughput reflected some recovery, with Antwerp seeing a 9% year-on-year increase in Q3 2024 and Rotterdam growing by 3%. Most businesses report inventory levels as low or as desired. Restocking efforts in combination with higher port volumes have had an upwards pressure on rates.

Despite improving consumer demand, Europe's manufacturing sector continues to struggle with high energy prices and weak international competitiveness. Production volumes fell 0.3% quarter-on-quarter and 0.8% year-on-year. Electricity and fossil fuels account for 7%-9% of the industries' production costs directly, according to the European commission. The difficulties in production are likely to decrease contract demand for road freight as European industry struggles to keep up their long-term production levels.

**Michael Clover, Ti's Head of Commercial Development, says:**

*"Demand across Europe remains relatively weak and as such upward pressure on rates is relatively low. However, as capacity remains constrained and costs are continuing to increase overall, we expect to see the moderate increases in rates seen Q4 continue in to 2025"*

New capacity entering the market has been constrained, as highlighted by ACEA's Q3 2024 data on heavy goods vehicle (HGV) registrations. New heavy truck registrations in the EU dropped by 29%. Diesel trucks accounted for 95.3% of registrations in the first nine months of 2024, despite a 7.3% year-on-year decline. Electrically chargeable truck registrations fell by 6.6%, maintaining a 2.2% market share.

In Q4 2024, costs rose across all components except diesel, which fell by 11.7%. Labour costs in the EU27 increased by 5% year-on-year, with driver wages being the fastest-growing cost component. Persistent driver shortages, with 500,000 vacancies (12% of all positions), continue to challenge the industry and are likely to push both contract and spot rates higher, due to both available capacity constraints coupled with the rising costs of drivers as they are in short supply.

As a result, whilst diesel eased supply pressure on rates, the cost base is now extremely high, and labour costs continue to push it further. This has created an environment of low profit margin which can facilitate few more cost falls. As such small cost rises or supply disruptions are resulting in price rises even whilst demand remains weak.

**Thomas Larrieu, Chief Executive Officer at Upply, comments:**

*"European road freight rates are caught between rising costs and weak demand. While low consumer spending is preventing prices from climbing too much, high labor costs and limited capacity are keeping them from dropping. In this context, even small cost increases or supply chain disruptions can push rates up, even though demand remains fragile."*

## **IRU Senior Director for Strategy and Development Vincent Erard adds:**

*"Truck operators, 89% of which are SMEs in the EU, continue to face soaring costs, further squeezing their thin margins. Rising toll charges, driver shortages and new EU regulations, including the Eurovignette and CO<sub>2</sub> standards, are pushing both operating costs and capital investments ever higher. By addressing the needs of SMEs in particular, we can drive meaningful decarbonisation progress and boost the competitiveness of the broader European economy."*

## **About the European Road Freight Rate Benchmark Report**

The European Road Freight Rate Benchmark report is designed to provide greater visibility of road freight rate development across Europe.

If you wish to distribute the full PDF report, please share this link:

<https://go.upply.com/en-gb/ti-upply-european-road-freight-rates-benchmark-reports>



### **About Ti**

Ti is the world's leading source of market intelligence for the logistics and road freight industry, providing data and analysis through its European Road Freight Transport report series, Global Supply Chain intelligence (GSCI) database and expert consultancy services.

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### **About IRU**

IRU is the world road transport organisation, promoting economic growth, prosperity and safety through the sustainable mobility of people and goods. As the voice of more than 3.5 million companies operating mobility and logistics services in all global regions, IRU leads solutions to help the world move better.

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### **About Upplly**

Upplly, tech platform serving freight transport professionals, designs and develops solutions to help shippers, carriers and freight forwarders exploit the full potential of digitalization to serve their business.

Combining transport expertise and Data Science, since 2018 Upplly has been developing its Smart solution dedicated to benchmarking, monitoring and analysing freight rates. As the leader in benchmarking for European road freight, Smart helps supply chain players make decisions with full knowledge of the market and optimise their transport investments.

The company is based in Paris and currently has over 60 employees dedicated to developing its unique technological solutions.

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