

# Transport Market Monitor

Transport prices peak at all-time high

Edition: 24 (August 2015)



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## Summary

This is the twenty-fourth edition of the Transport Market Monitor. It outlines developments in European road transport rates and includes the figures of the second quarter of 2015.

- The price index (see figure 1) increased by 10.4% in Q2 2015, leading to the highest index since the beginning of the measurements (index 104.9).
- When comparing to the index level of the previous year (index 100), Q2 2014, the price index is 4.9% higher.
- In Q2 2015, the diesel index increased by 5.3% to an index of 90.7. It is now 10.6% lower than the same period last year.
- The capacity index decreased to 67.8 (-34.8%), the lowest level since Q2 2011 (index 66.6) and the second lowest point since the beginning of the measurements in 2008.

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 twenty-fourth 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 aggregated 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 6 months period January 2008 till June 2008 have been set as the basis for comparison (Index 100).*

# Transport price index reaches all-time high

This section of the Transport Market Monitor outlines the quarterly developments of the price and capacity index, based on a time span from 2008 until the second quarter of 2015.

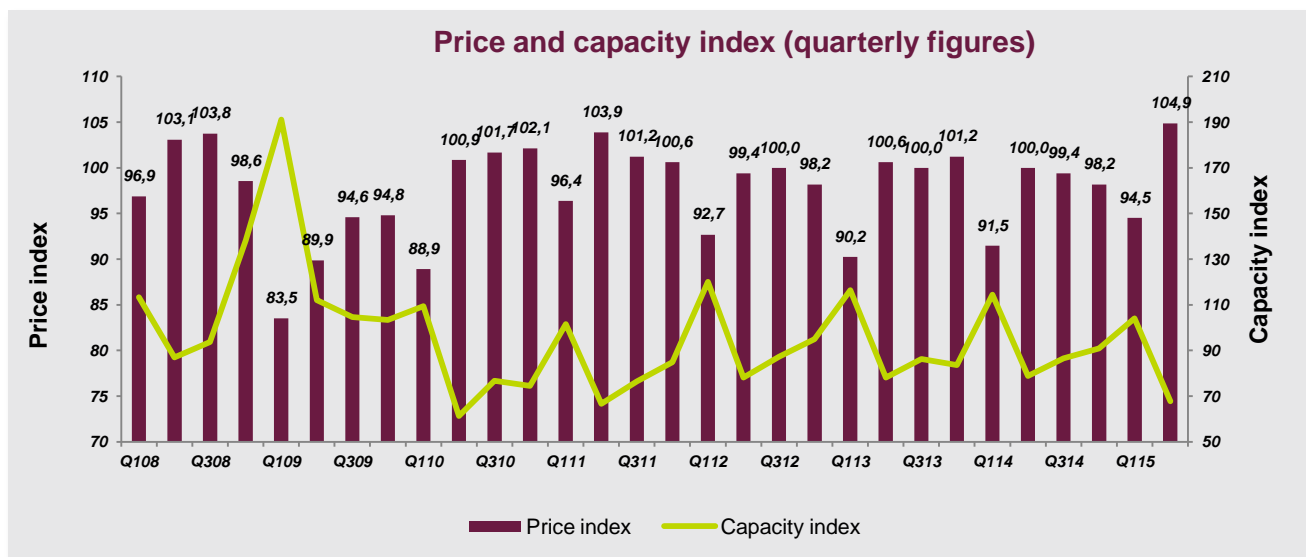
The price index (see figure 1) increased by 10.4% in Q2 2015 (index 104.9), compared to the price index in Q1 2015 (index 94.5). This increase is in line with previous years where the seasonal decline in Q1 is followed by an increase in Q2. Moreover, the Q2 2015 increase resulted in the highest price since the start of the Transport Market Monitor. When comparing to the index level of the previous year, Q2 2014, we see that the price index is 4.9% higher this year.

In Q2 2015, the capacity index after successive growth in the previous quarters decreased to 67.8 (-34.8%), ending up at its lowest point since Q2 2011 (66.6) and the second lowest point since the beginning of the measurements in 2008. The capacity index in Q2 2015 was 14.1% lower than Q2 2014 (index 78.9).

*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: Transport price and capacity index, quarterly (Q1 2008 – Q2 2015)



## Capacity index increases after sharp decline

This section of the Transport Market Monitor depicts the monthly developments in the price and capacity index over the last 12 months. In April (+5.1%) and May (+5.5%) the price index continued to grow. June showed a decrease in the price index (-2.4%), while the capacity index followed a reverse pattern.

Figure 2: Transport price and capacity index, monthly (Jul 2014 – Jun 2015)

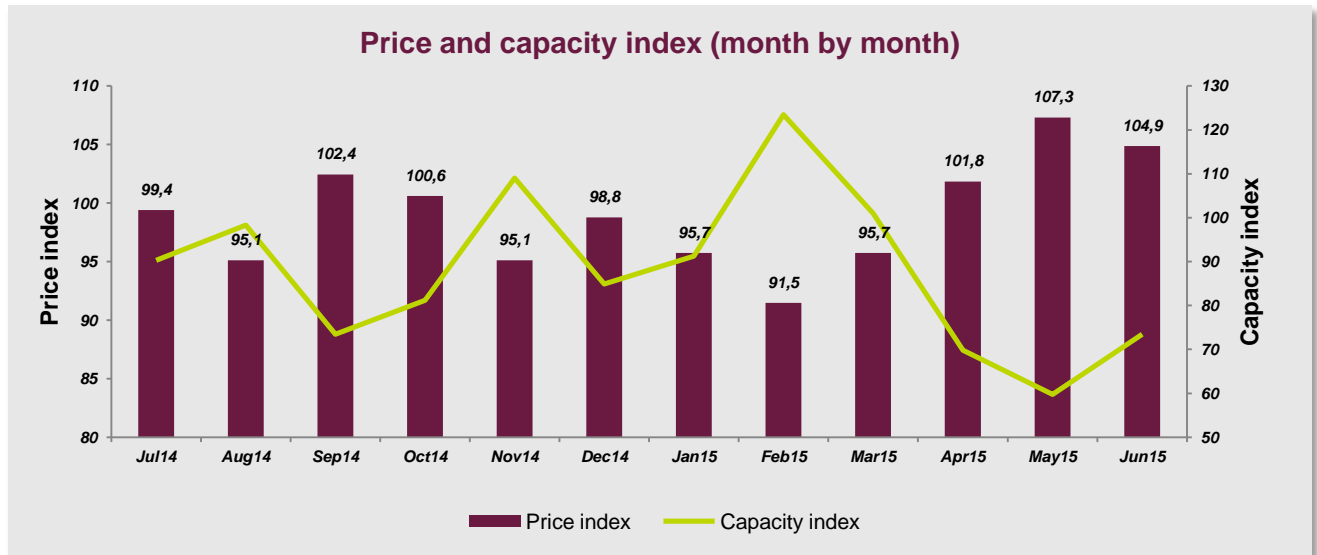


Figure 3 compares the monthly development of the price index over the last 12 months, to the same period one year before. Prices remained higher than last year, just like in Q1, with a larger than usual gap in May.

Figure 3: Transport price index comparison, monthly (Jul 2013 – Jun 2015)

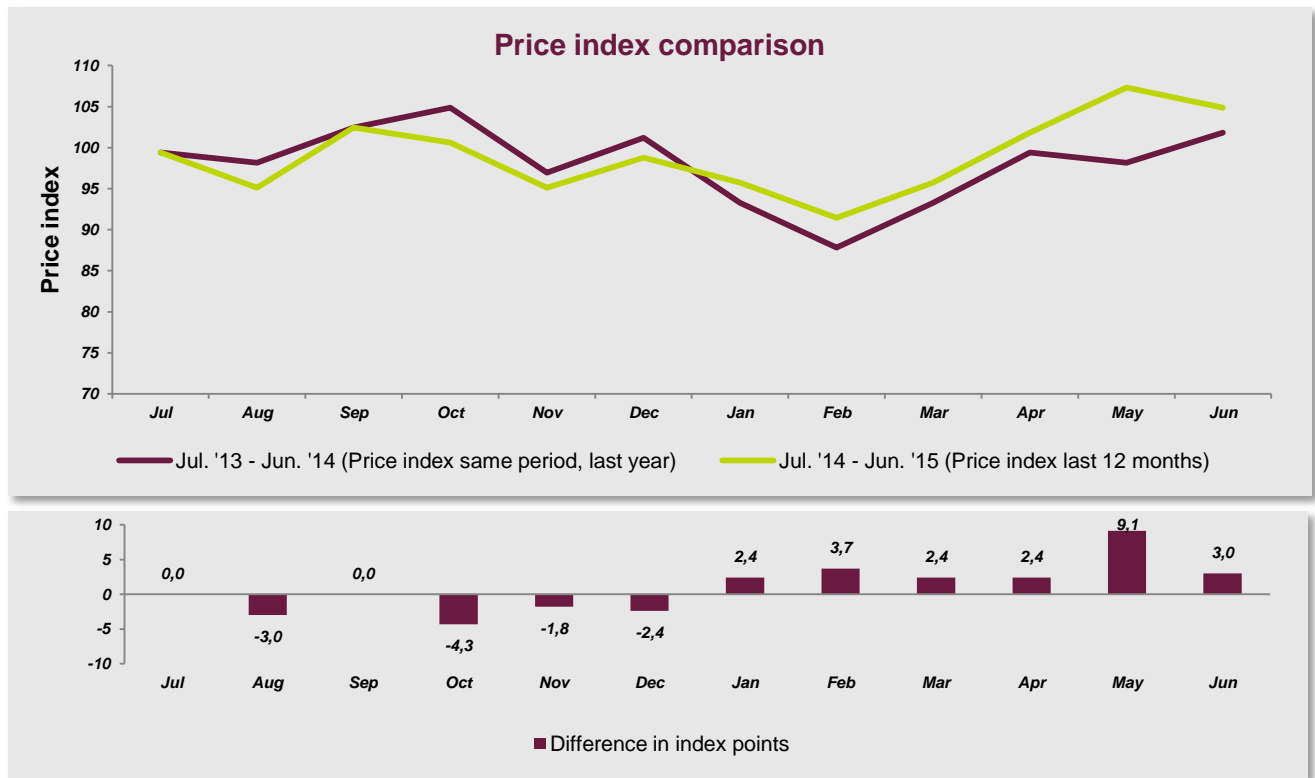
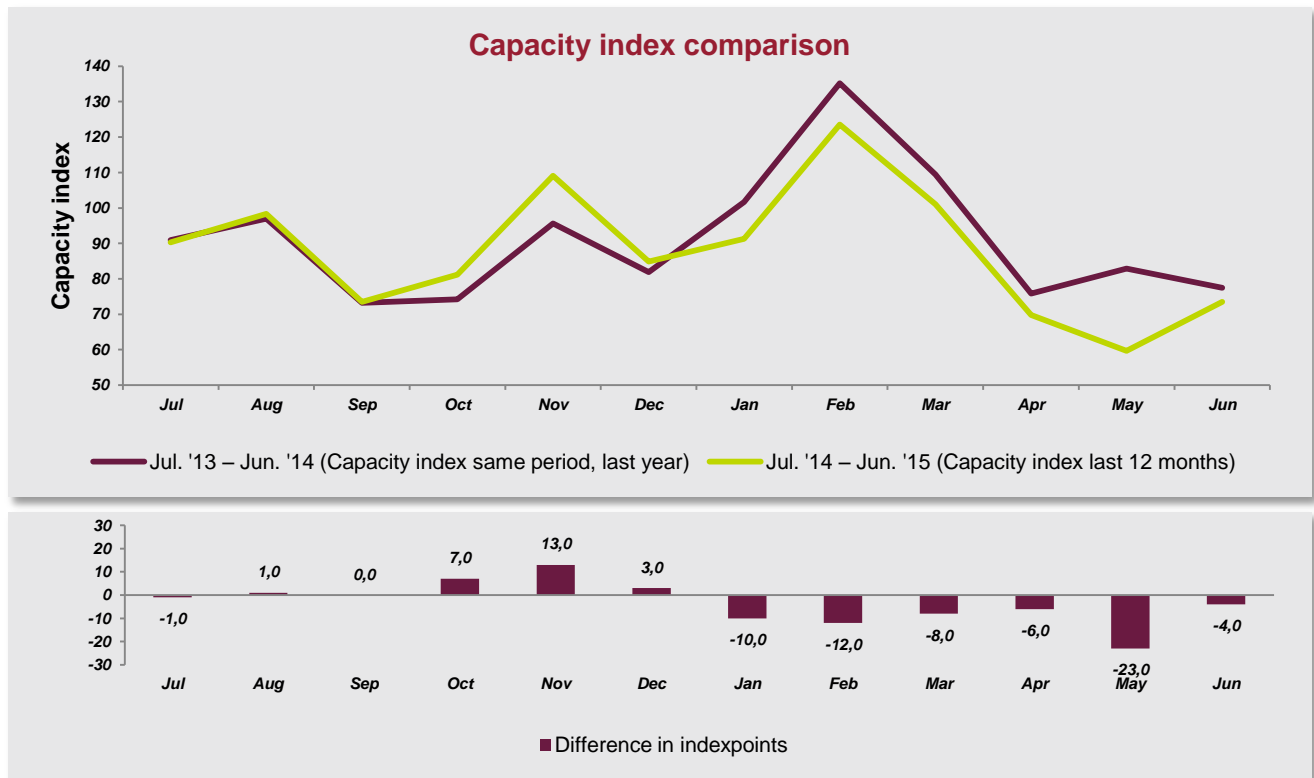


Figure 4 compares the monthly development of the capacity index during the previous 12 months to the same period one year before. In the last 6 months, the capacity index has been lower than the first 6 months of 2014. The difference was especially large in May. Unlike the previous year, the capacity index did not increase until June 2015.

Figure 4: Transport capacity index comparison, monthly (Jul 2013 – Jun 2015)



# Industry focus

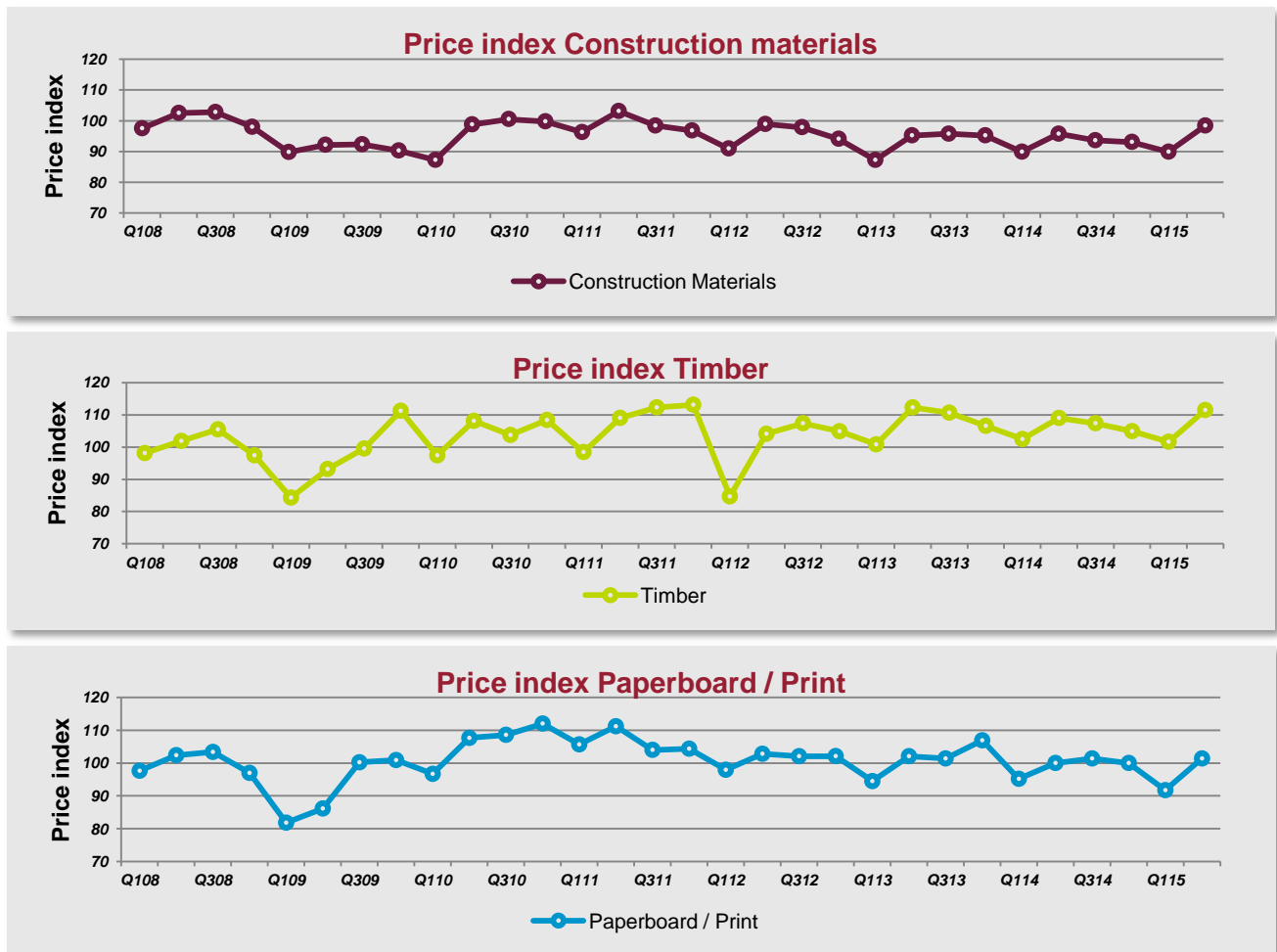
General economic conditions apply to most industries, but trends may be stronger or weaker in individual industries. Analysis of the price index by the type of industry identifies these differences, visualized in figure 5.

In Q2 2015, all industries showed a pattern of increasing price indices. The index for construction materials increased with 9.5%, the timber market showed a similar increase of 9.7%. The price index for the paperboard/print industry increased with 10.5%. The Q2 increases were in line with the pattern observed in previous years.

*The TRANSPOREON platform handles transport for almost all industries. For this edition of the Transport Market Monitor, 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)*

Figure 5: Transport price index for different industries (Q1 2008 – Q2 2015)

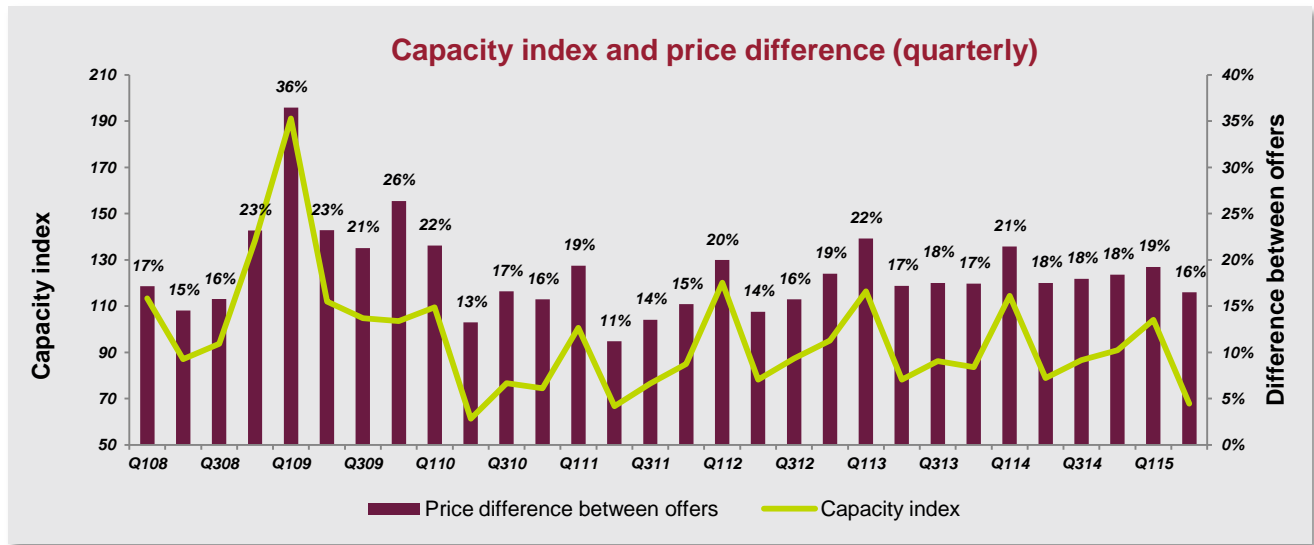




## Price difference decreased

This section outlines transport dynamics, by analysing 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. The price difference decreased in Q2. This is in line with previous years and is related to the low market capacity.

Figure 6: Transport capacity index and price difference (Q1 2008 – Q2 2015)



The price difference is an average figure. In general, price differences increase with the distance to be travelled (see TMM, edition 1).

## Diesel index increases again

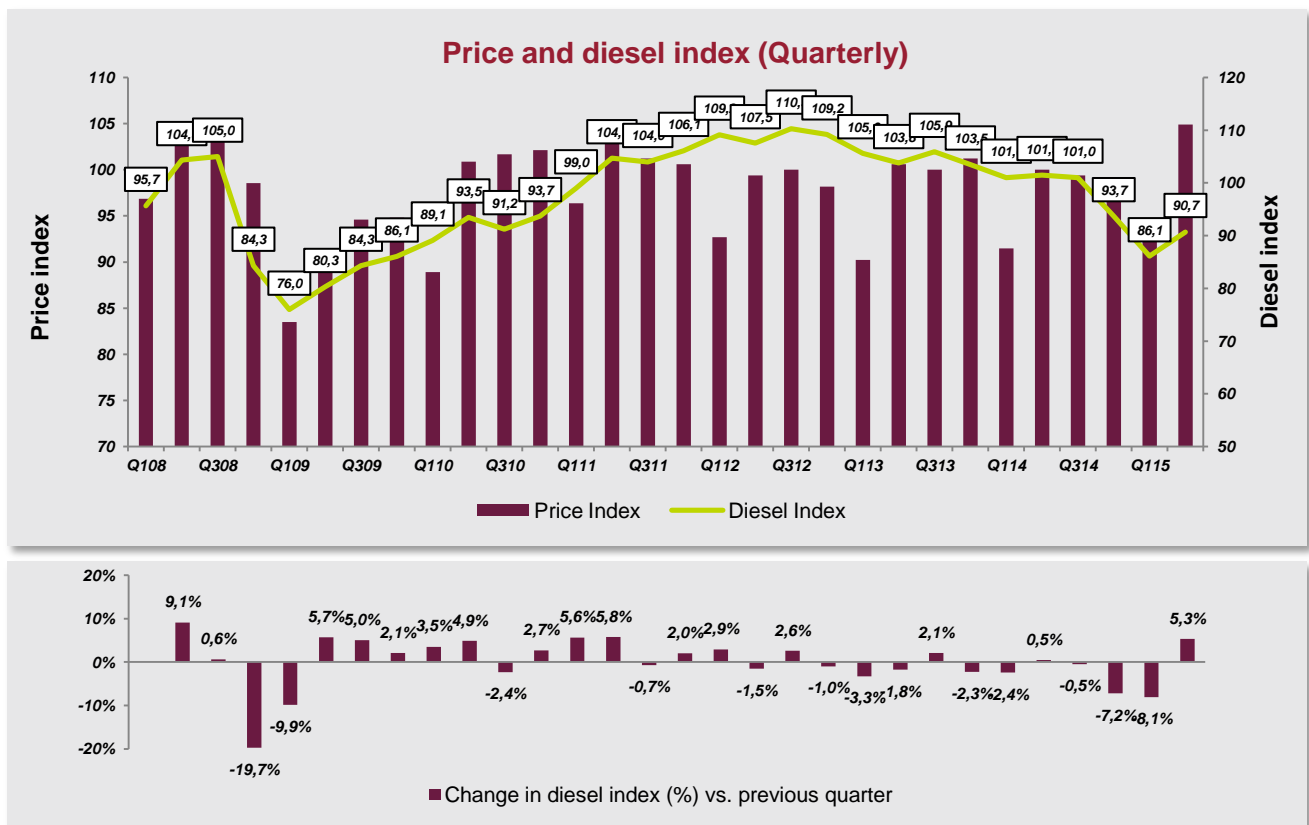
This section compares the price index with the diesel index (see figure 7). In general there is a positive correlation between the diesel index and the price index, clearly indicating the impact of diesel prices on transportation costs and consequently prices.

In Q2 2015, the diesel index increased to 90.7 (5.3%). This is the first increase larger than 1% since Q3 2013. However, the diesel index is still 10,6% lower than in the same period last year (index 101.5).

*For the diesel index, the average figures of the 6 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 in Germany, obtained from [www.aral.de](http://www.aral.de). We assume that the index pattern, based on the above figures, is representative for Europe for the purpose of this report.*

Figure 7: Transport price index and diesel index (Q1 2008 – Q2 2015)



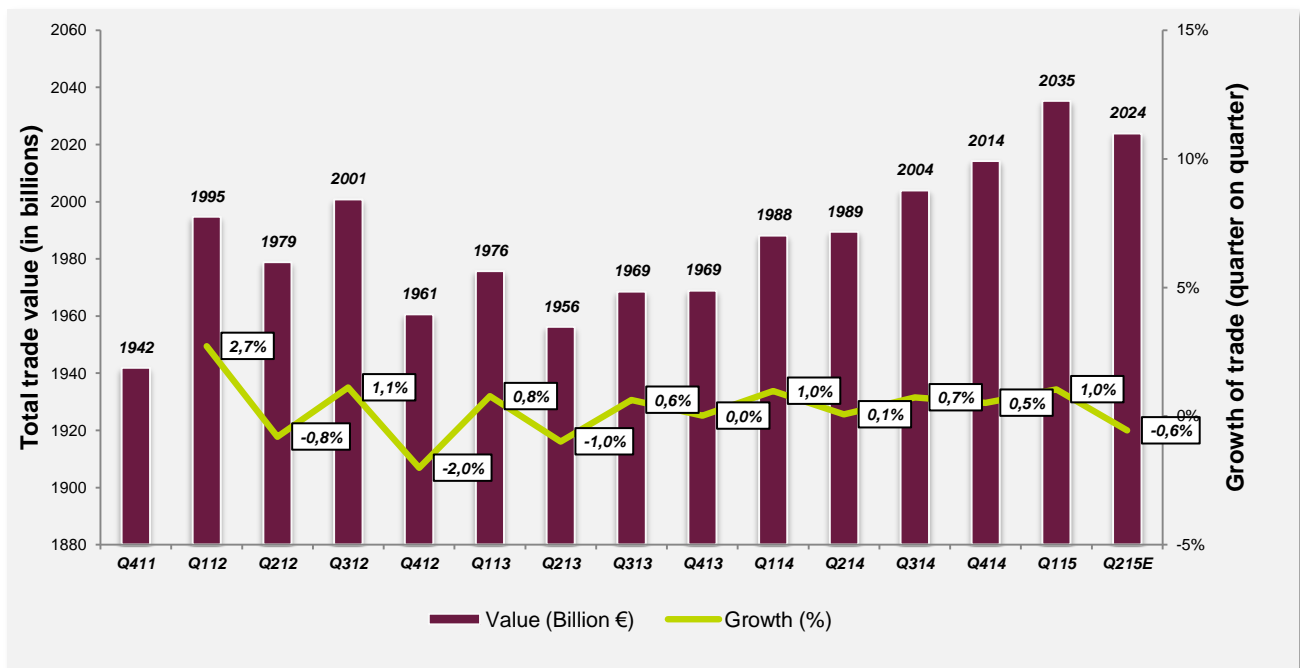
## Global Trade Flow Index

This section features the Capgemini Consulting Global Trade Flow Index (GTFI) a measure of worldwide trade, tailored to the European market in this report. The volume of trade is a strong driver for transport demand and corresponding prices.

In Q2 2015 trade volumes are expected to decrease by 0.6% to €2024 bln in Europe compared to Q1 2015 (€2035 bln). The decrease is in line with the seasonal trend shown in previous years, where a strong growth in Q1 is followed by a minor increase, or decrease in Q2's trade volumes. Compared to the same period in 2014 (€1989 bln), there is an increase of 1.7%, reflecting the ongoing recovery of global trade.

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.

Figure 8: Trade Flow Index for Europe (Q4 2011 – Q2 2015E)



## Additional services related to the TMM

# Transport Market Developments

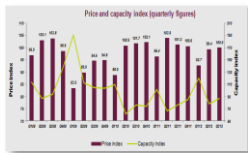
## A portfolio of offerings

### 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 the price increase in Q2 2015 compared to Q1 2015.

The next edition, number 25, will include the figures for Q3 2015. It will be published in November 2015.

## 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.

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### TMM-team:

Capgemini Consulting: Sander Fischer (NL), Thomas Fortgens (NL), Erik van Dort (NL), Juliane Grandke (DE), Milko Teofilov (DE)

TRANSPOREON: Peter Förster (DE), Christine Götz (DE), Anja Haeussler (DE)

## About Capgemini and TRANSPOREON



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### 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 to reduce dispatch and freight costs, while minimizing waiting times during loading and unloading.

Currently more than 1.000 industry and trading companies, more than 44,000 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 23 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 380 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:**

**Erik van Dort**

Tel: +31 30 689 71 19

E-mail: [erik.van.dort@capgemini.com](mailto:erik.van.dort@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: Erik van Dort**

Tel: +31 30 689 71 19

E-mail: [erik.van.dort@capgemini.com](mailto:erik.van.dort@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:**

**Fabrice Dalla Muta**

Tel: +33 6 45 12 38 46

E-mail: [fabrice.dalla-muta@capgemini.com](mailto:fabrice.dalla-muta@capgemini.com)

**Nordic Countries:**

**Nils Månsson**

Tel: +46 767 97 30 66

E-mail: [nils.mansson@capgemini.com](mailto:nils.mansson@capgemini.com)

**Poland:**

**Via: Erik van Dort**

Tel: +31 30 689 71 19

E-mail: [erik.van.dort@capgemini.com](mailto:erik.van.dort@capgemini.com)

[www.capgemini-consulting.com](http://www.capgemini-consulting.com)

## TRANSPOREON

For more information, contact:

**Balkans:**

**Armin Musija**

Tel: + 43 (0) 664 1966 542

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

**Benelux:**

**Michel Haenen**

Tel: +31 6 123 95 308

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

**Germany/Switzerland and Nordic countries:**

**Volkert Gasche**

Tel: +49 4101 8316761

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

**UK:**

**Michel Haenen**

Tel: +31 6 123 95 308

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

**Jean Arnaud**

Tel: +33(0) 6 27 47 71 46

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

**Spain:**

**Miriam Ribas**

Tel: + 34 977 6200 39

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

**Poland:**

**Grzegorz Prorok**

Tel: + 48 (0) 12 639 53 28

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

**Romania:**

**Dan Gabriel Vintila**

Tel: + 40 737 84 07 79

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

**Slovakia/Czech:**

**Lubos Fronk**

Tel: + 42 (0) 603 18 55 04

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

**Hungary:**

**Tibor Batki**

Tel: + 36 30 495 4616

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

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

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