

MONTHLY BAROMETER

# TRENDS IN ROAD FREIGHT PRICES IN FRANCE



March 2024 | 

**upply**

# ROAD TRANSPORT PRICES IN FRANCE ARE CONTINUING TO FALL

**Prices continued their long decline in March 2024, a sign that the volumes to be transported are still not picking up. A stabilisation of contract prices excluding diesel as well as the improvement in the morale of business leaders in April could possibly be a harbinger of spring.**

In March 2024, the business climate in France improved by two points compared to February. Calculated from the responses of business leaders in the main market sectors, it returned to its long-term average, for the first time since September 2023. All sectors are up except construction.

Business leaders may have been slightly reassured by [the fall in inflation](#): in March, consumer price inflation slowed more than expected to 2.3% year-on-year (against a forecast of 2.4% published by INSEE in mid-March), after having stood at 3% in February. However, INSEE has also downgraded [its growth forecast](#) for the first quarter by announcing a figure of 0%, against 0.2% expected last February, estimating that many uncertainties hang over the French economy such as weak demand and an inability for the economy to create jobs.

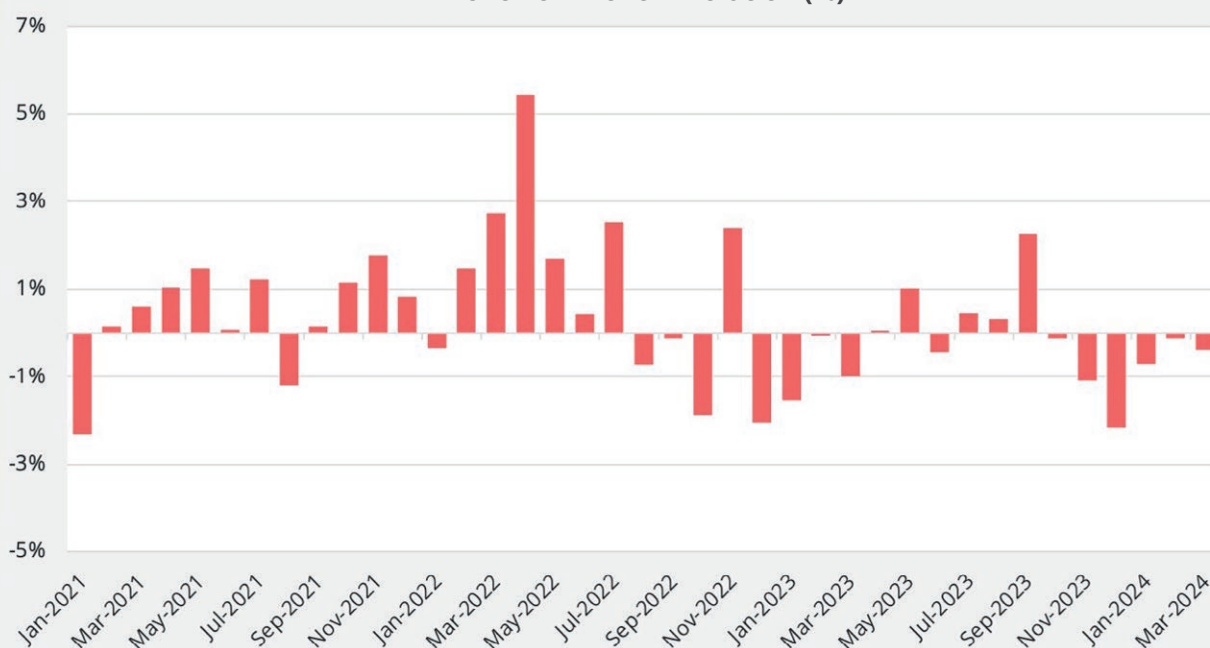
“ Many uncertainties hang over the French economy ”

# A long series of price drops

In this uncertain context, in March, French road transport prices fell again by 0.4%, according to the Uply Freight Index (UFI Road France). In our previous barometer, we announced a slight increase of 0.1% in February based on provisional data but

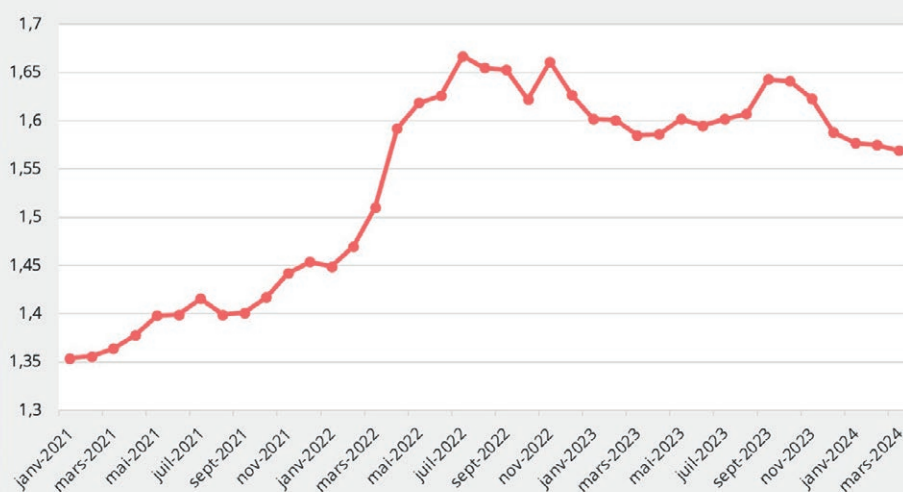
urged caution. The integration of additional data confirmed these reservations. Finally, prices in February fell by 0.1%. In March, prices recorded their sixth consecutive monthly decline, which is the longest series of declines since 2020.

UFI Road France  
Month-on-Month Evolution (%)



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

UFI Road France  
€/km



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

The average price per kilometre, based on transactions recorded in the Uply database, was €1.569 per kilometre driven in March, falling by another €0.006. However, this erosion of less than €0.010 in a month suggests that prices will not fall below a new lowest level that can be estimated at €1.55.



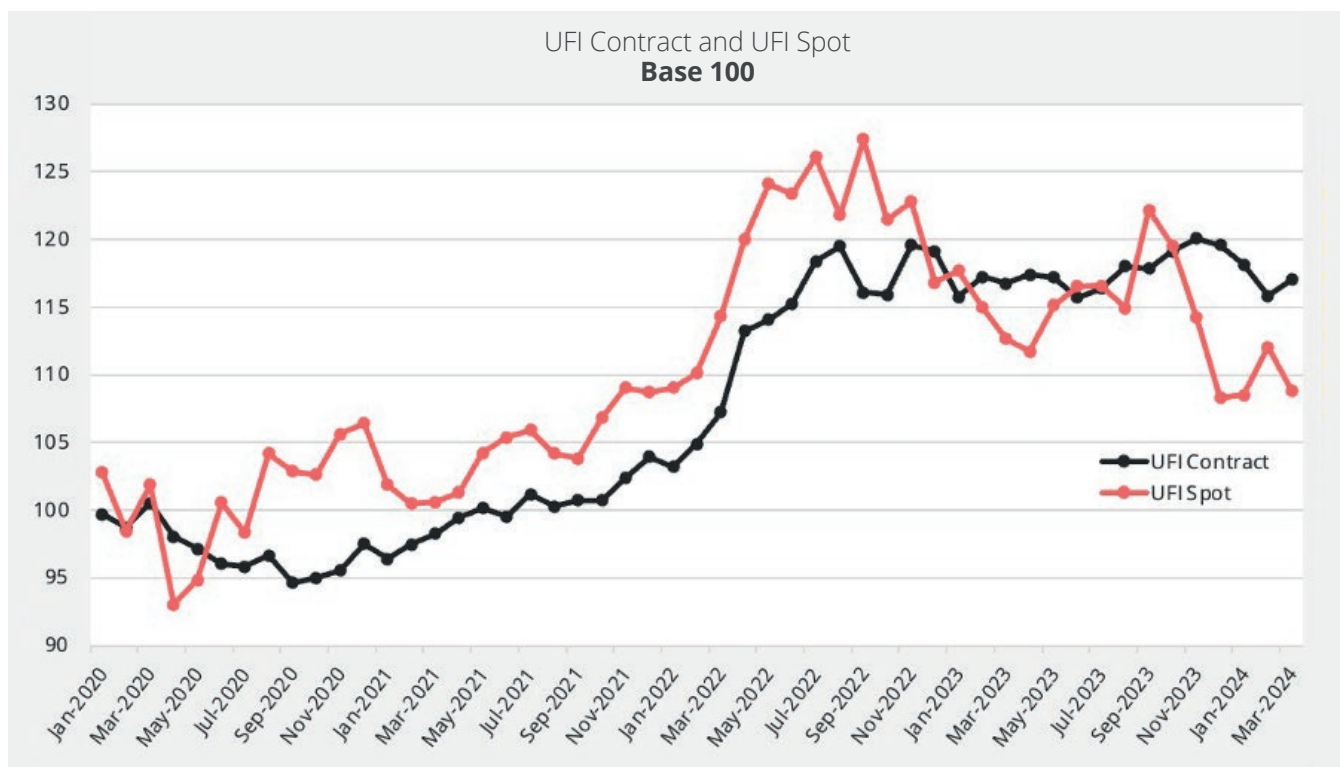
# Contractual transport prices to hit a point of equilibrium

Contract transport prices have stopped falling. The 1.03% growth recorded in March puts an end to a series of 3 successive months of decline.

This rise in the Uply Contract index is largely, or even solely, driven by the evolution of fuel prices. In February, the price of diesel was up 4.2%. Given the way that the pass-through mechanism works, with a delay of one month on the impact on prices, and based on the CNR long haul semi-trailer truck index, which attributes to diesel fuel [a weighting of 24.4% in 2024](#) in the overall operating cost, we obtain an increase of 1.02%. As this result corresponds to

the 1.03% observed this month, we have probably reached a point of equilibrium in the medium- and long-term agreements between the major contractors and their carriers. This could well mean an end to the downward trend in contract prices.

However, in the very short term, taking into account the 1.9% decline in commercial diesel prices observed in March, we can envisage a decline in the Contract index of around 0.5% in April.



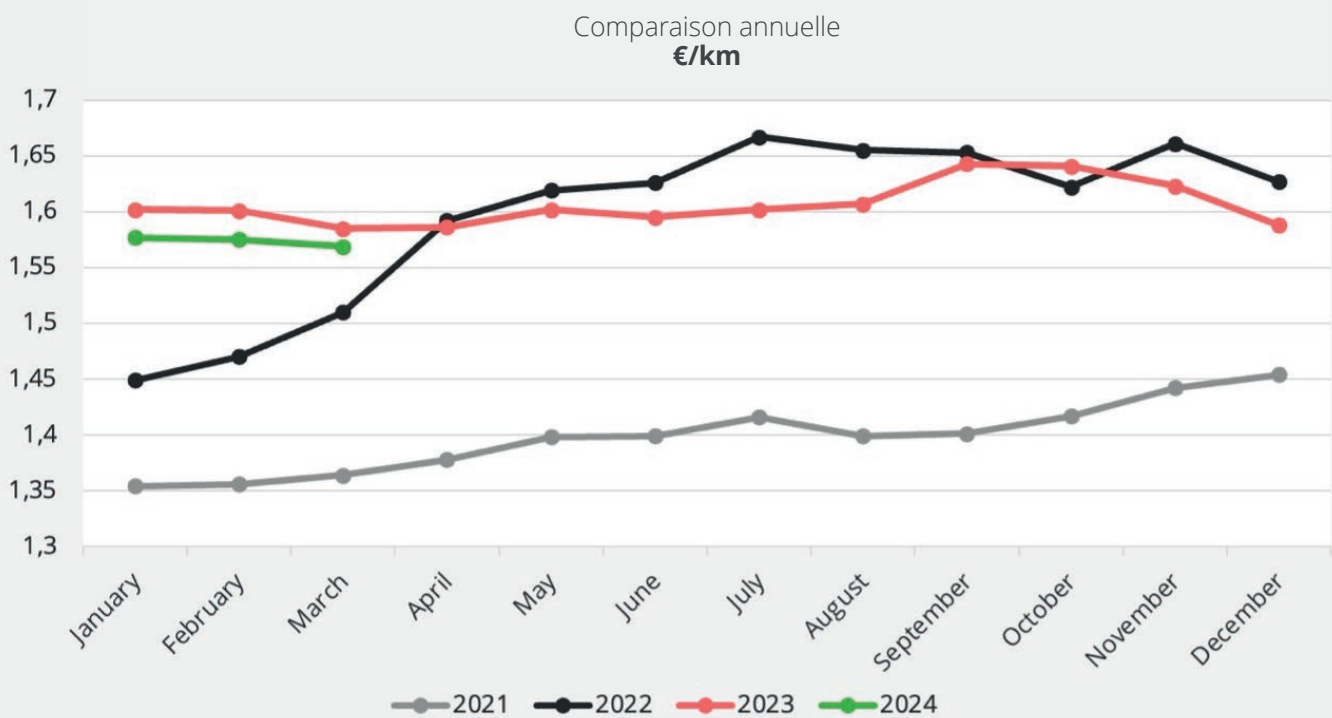
Source | Uply Freight Index – Road France

**“ We have probably reached a point of equilibrium in the medium- and long-term agreements between the major contractors and their carriers ”**

# Sluggish levels of volumes to be transported

The Uply Spot index of French road transport prices, on the other hand, fell again, losing 2.86%. Not only did it not benefit from the rise of diesel prices, but it also caused the general price curve to fall. Outside the influence of demand, spot transport prices are at the mercy of external

shocks, such as social movements that are likely to affect the availability of capacity or the fluidity of operations. Nothing like this occurred in March, hence a downturn in line with the general economic sluggishness.



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

## “The volumes to be transported are still absent”

The volumes to be transported are still absent, despite March being usually a month of recovery in transport flows. If we ignore February, whose figures had been artificially boosted by the impossibilities of circulation due to the farmers' protests, the Spot index appears in March to have very slightly increased compared to January, but really very slightly indeed. This decline in the Spot index is indeed a fairly significant marker of the sluggish situation of transport demand in France.

Overall, the transport price curve in 2024 continues to be slightly below that of 2023, while remaining above the threshold of €1.55/km.

# Loss of productivity and rising costs

This evolution of prices to a higher level should not be seen as an indicator that the situation is comfortable for carriers. Prices are in reality inexorably falling, which is not the case for costs.

The survey on long-distance road freight transport in 2023 carried out by the National Road Committee (CNR) and published on 28 March is a perfect illustration of this phenomenon. Firstly, vehicle operating conditions deteriorated in 2023. The production indicator of a vehicle, product of the annual mileage travelled and the load factor, shows a decline of 2% between 2022 and 2023. The decline in production compared to 2019, the last full year before the Covid pandemic, reached -6.7% in 2023. At constant prices, this means a drop in turnover of almost 7% per articulated vehicle. Behind this figure is a decrease in loaded kilometres, a decrease in average distances travelled per trip as well as an increase in waiting times for loading and delivery.

The year 2023 was also marked by a significant inflation in costs. These increases concern not only the social component but also mileage costs and vehicle fixed costs. Among the most striking increases between 2022 and 2023 were driver remunerations (4.1%), tyre costs (8.4%) and the average price of a tractor unit (10.1%).

The long-term evolution also points to weaknesses in the sector if the price declines continue. In 10 years, the remuneration of a driver has increased by 26.7%, higher than that of the minimum wage over the same period (22.2%). Vehicle prices have soared since the covid crisis with an increase of 23.5% between 2019 and 2023. Finally, the inflation in toll costs continues unabated, with an average annual growth rate of 2.2% between 2013 and 2023. Vehicle diesel consumption, also a very important item in carriers' operating costs, is on the other hand following a positive trend since it fell by 9.3% between 2013 and 2023. But this favorable element is offset by erratic developments in the price of fuel, as we saw for example in 2022, when prices soared after the outbreak of the war in Ukraine.

“ The long-term evolution also points to weaknesses in the sector if the price declines continue ”

## KEY INDICATORS

Sources | Insee, CNR

INDICATORS	March 2024	February 2024	Evolution M / M-1	March 2023	Evolution over 12 months
Business climate (base 100)	99.8	98.2	- 2.0%	103.2	- 3.3%
CNR Commercial Diesel Index	206.31	210.21	- 1.9%	213.75	- 3.5%
CNR's Long Haul semi trailer truck index	165.99	166.82	- 0.5%	162.28	+ 2.3%



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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.

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