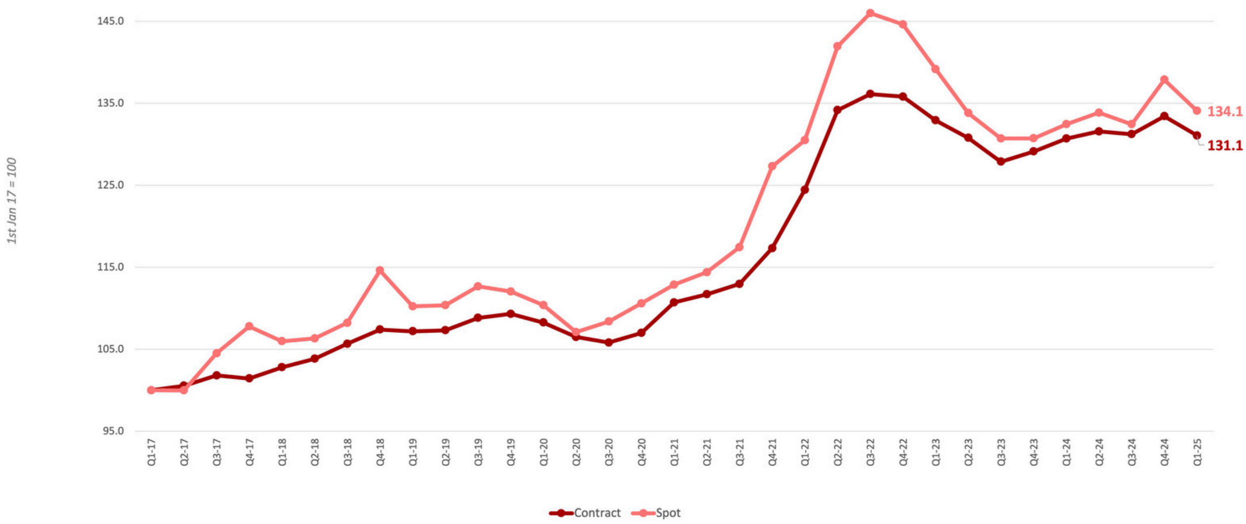
Press release

European Road Freight Rate Benchmark Q1 2025: Contract and spot rates indexes both decline

London, 13th of May 2025 **- The Upply x Ti x IRU European road freight rates index for Europe shows Q1 contract rates index fell by 2.3 points q-o-q. The spot rates index fell more sharply, by 3.8 points q-o-q. However, year-on-year, the spot index was up by 1.6 points and the contract rose by 0.4 points.**

- The Q1 2025 European Road Freight Contract Rate Benchmark Index fell to 131.1, 2.3 points lower than in Q4 2024 but 0.4 points higher than in Q1 2024.
- The Q1 2025 European Road Freight Spot Rate Benchmark Index fell to 134.1 points, 3.8 points lower than in Q4 2024, but were 1.6 points up Y-o-Y.
- According to IRU's 2024 driver shortage survey, there are now vacancies in 426,000 driver positions across Europe.
- Q1 2025 diesel prices were up by 4.8% vs Q4 2024, though prices have fallen in recent weeks.
- The outlook for rates across Europe is for a cooling of pressure on rates, as demand weakens, fuel prices fall and labour cost growth slows.

European road freight rate indexes in Q1 2025



Data source: Upply

The end-of-year peak period has been followed by a return to low European demand. The start of 2025 has weighed down freight rates as consumer demand remains subdued, costs have slowed their growth, and industry sentiment is dampened as the world engages in a trade war which brings constant uncertainty and reduced international demand for European manufacturers. The result is reduced demand pressure on all sides, leading to rate falls in both spot and contract markets.

Consumer spending in Europe has remained stagnant, increasing only 0.6% quarter-on-quarter, according to Eurostat, with 61% of households maintaining similar income, savings, and spending levels compared to the previous quarter, according to a consumer survey by McKinsey. A consistent number of consumers (74%) reported "trading down," mainly by buying less or choosing cheaper retailers. Apparel was the top category consumers were willing to spend on. At the start of 2025, spending patterns followed usual seasonal trends, slowing down after their peak in Q4, which puts a downward pressure on freight rates, particularly spot rates.

Geopolitical changes and global economic instability have renewed focus on strengthening local and regional economies. This has led to initiatives such as "Buy European" which encourage the support of European goods, businesses, and alternatives to non-European options. As a result, there is potential for increased demand for dedicated contracts, with a preference for long-term agreements rather than fluctuating spot rates, in the medium to long term.

> **Michael Clover, Ti's Head of Commercial Development, says:**
> *"European demand was already quite weak and the uncertainty from tariffs has led many to expect lower road freight volumes. We do expect lower volumes to reduce pressure on road freight rates through 2025 and as cost growth has also slowed, we expect to see fairly stable rates for the rest of the year".*

New capacity entering the market has been constrained. Registrations of HGVs fell by 16% between Q1 2025 and Q1 2024, and by 7% quarter-on-quarter. Notably, battery electric truck registrations grew by 51% year-on-year to reach a 3.5% market share. Driver shortage is on the rise with 426,000 unfilled truck driver jobs in Europe according to IRU's 2024 Global truck driver shortage report.

In terms of the underlying cost drivers, diesel prices increased by 4.8% quarter-on-quarter but are decreasing lately as the trade situation brings uncertainty to businesses, slowing down global demand for oil. The latest data on driver wages across Europe suggests that wages are still rising. For example, driver wages increased by +5.1% year-on-year for Spanish drivers for international operations, according to the Spanish Ministry of Transport. In Italy new agreements have led to increases in wages more than 500 EUR per month since the beginning of 2025, to notably cover the time spent waiting vehicles loading and unloading at hubs. These rises follow +4% year-on-year labour costs increase across the EU27 in Q4 2024.

> **IRU Senior Director for Strategy and Development Vincent Erard adds:**
> *"Road transport stands at a critical inflection point – where resilience, sustainability and competitiveness must converge. Despite economic headwinds and global trade uncertainty, Europe's transport sector has the potential to power a new cycle of regional growth. Policymakers and industry must now co-create the conditions that enable long-term investment, digital transformation and decarbonisation – especially for the SMEs that form the backbone of our supply chains."*

In the short-term, the broader picture of a potential EU recovery is being held back by ongoing tariff uncertainties and policy disruptions, which continue to weigh on trade flows and rates momentum.

In the medium term, the outlook is more positive. Real GDP is projected to strengthen, driven by growth in consumption, improved investment, and recovering foreign demand. Economic activity in the euro area is expected to expand by 0.2% across the first three quarters of 2025. Household spending is forecast to rise by 1.4% year-on-year in March, and annual private consumption growth is projected to improve from 0.9% in 2023–2024 to 1.3% over 2025–2027. These trends point to gradually improving demand conditions, which could support a rebound in freight volumes and rate stability in the medium term.

However, in the short term the uncertainty tariffs create will have different consequences. Businesses will increasingly blend contracts for baseline capacity with spot market use for flexibility.

> **Thomas Larrieu, Chief Executive Officer at Upply, comments:**
> *"The European road transport market is once again going through a complex phase, as major uncertainties in global trade are likely to weaken the still fragile economic recovery. At the same time, this may also lead to an acceleration of nearshoring, which could stimulate demand for road transport. The current balance of power remains fairly favourable to shippers, but it is wise to secure long-term capacity based on balanced partnerships with carriers."*

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-iru-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.
ti-insight.com

Media Contact Ti

Michael CLOVER
Head of Commercial Development
+44 (0)1666 519907
mclover@ti-insight.com

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.
iru.org

Media Contact IRU

John KIDD
Associate Director, Communications and Events
+41 79 386 9544
john.kidd@iru.org

About Upply

Upply, 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 Upply 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.
upply.com

Media Contact Upply

Audrey Goldkranz
Chief Marketing Officer
+33 (0)6 65 34 47 40
audrey.goldkranz@upply.com