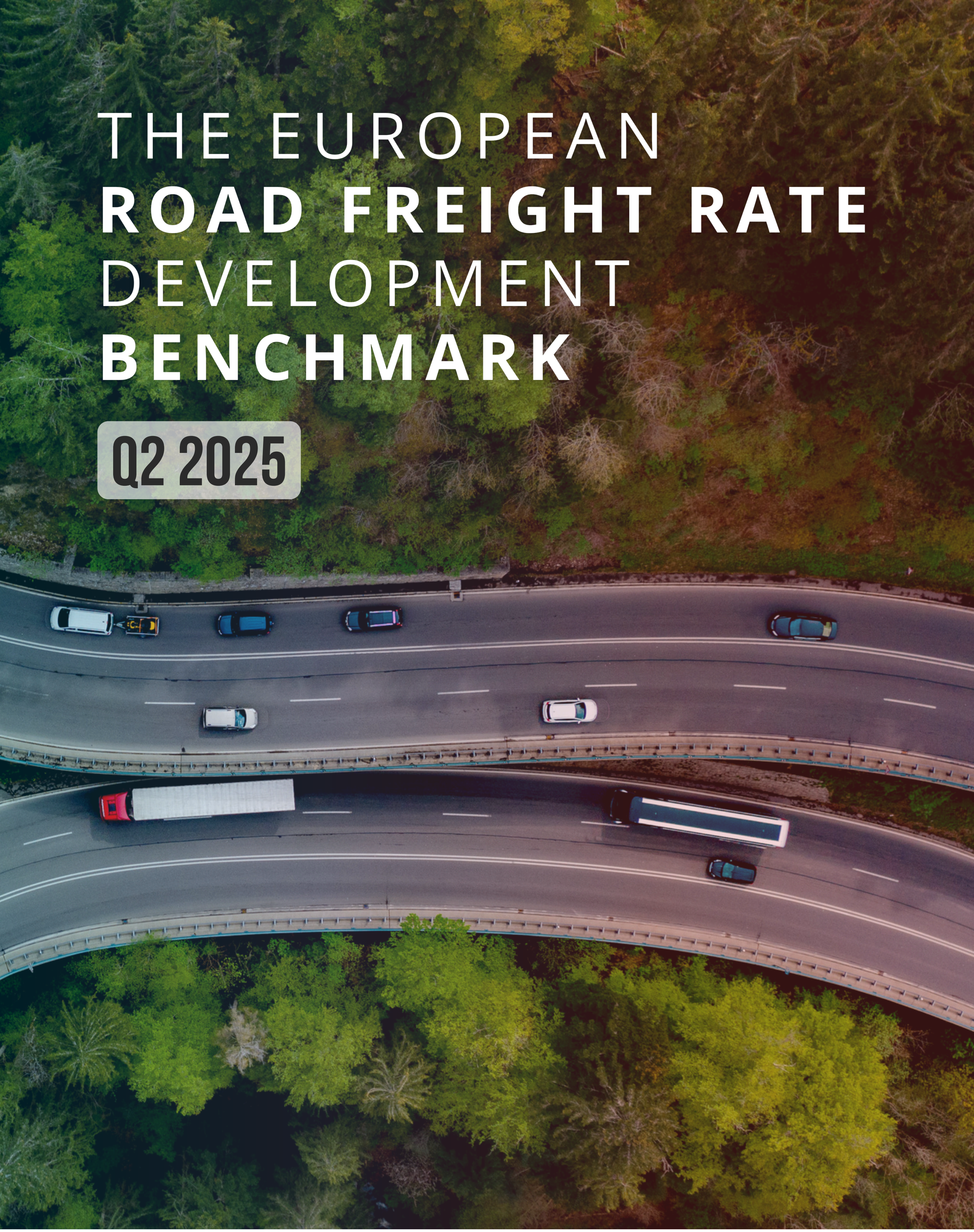
THE EUROPEAN **ROAD FREIGHT RATE** DEVELOPMENT **BENCHMARK**

Q2 2025



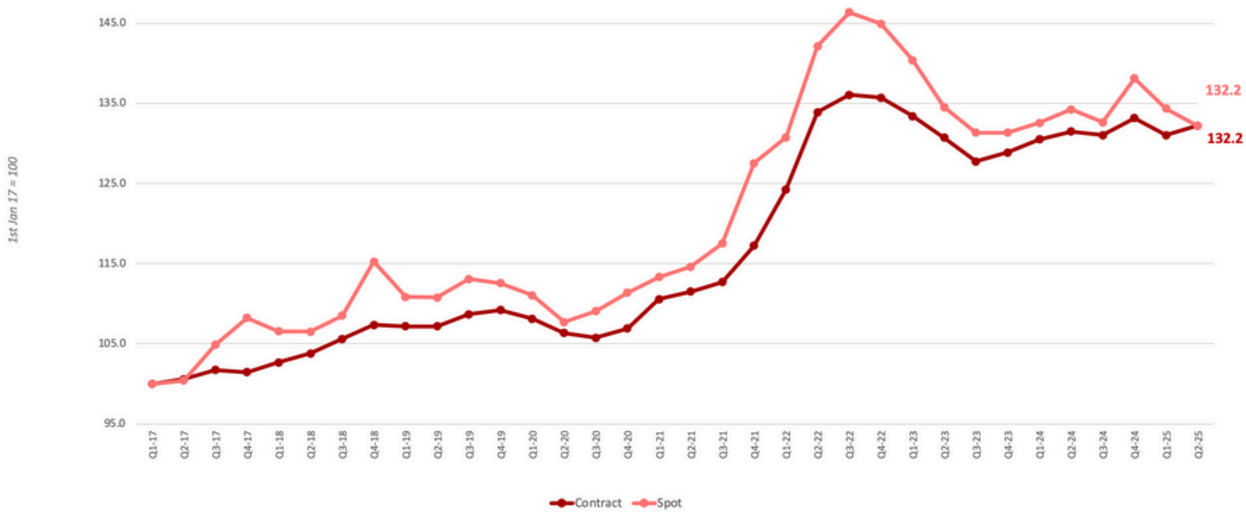
AUGUST 2025

CONTENT

01.

EUROPEAN ROAD FREIGHT RATE BENCHMARK INDEX

Ti x Upply x IRU European Road Freight Rates index Q2-2025



Source: Upply

BENCHMARK SPOT AND CONTRACT

Data

The European road freight rates contract and spot indexes (Jan-2017 = 100), have now converged, with both contract and spot rates standing at 132.2. The benchmark spot rate index declined by 2.2 points quarter-on-quarter, while the contract rate index inched up by 1.2 points over the same period. Year-on-year, spot rates are down by 2.0 points, whereas contract rates have risen slightly by 0.7 points. Spot rates are now at their lowest level since Q4 2023.

Market Story

There has been a short-term easing in demand pressure, but some demand pressure is expected to return in the medium to long term, led by a recovery in EU retail activity. Cost pressures are subsiding. According to IRU Fuel Prices service, the EU weighted average of diesel prices is down by 6.4% compared to Q1, but prices rebounded at the end of Q2 due to the Israel-Iran war. Overhead costs remain stable, while truck maintenance costs increased slightly by 2.3%. In Q1 2025, transport employee wages rose by 4.5% year-on-year across the EU. Thus, the biggest factors currently driving the benchmark road freight index are demand side related.

Europe's road freight market is facing a mix of demand dynamics, coupled with an uncertain global economic condition.

Modest European manufacturing gains in some countries are offering a bit of lift for contract rates. Production of durable consumer goods rose by 1.1% quarter-on-quarter, while non-durable goods saw a 4.0% year-on-year increase. The automotive sector also showed strength, with car and motor vehicle production up 2.2% over the quarter. BMW reported a modest 0.4% increase in Q2 deliveries (621,271 units), driven by a 10.1% uptick in Europe.

Manufacturing is showing signs of stabilisation. Eurozone factory output began expanding in June, with new orders stabilising and the HCOB PMI rising to 49.5, the highest level since August 2022, though still just below the threshold for growth (50.0 points).

Manufacture of food products and beverages are up 1.7% vs last quarter, and 3.2% vs the same period last year, according to Eurostat figures. Major supermarkets like Carrefour and Sweden's Axfood reported solid Q2 sales. With Carrefours latest figures showing a 2.9% like for like Q-o-q growth, and Axfood' net sales rose 9.3% year-over-year, a sign that grocery retailers are continuing to perform well despite wider uncertainty surrounding demand.

Spot rates have declined for the second quarter in a row, now at their lowest since late 2023, reflecting softer short-term consumer demand, especially in retail and automotive. Overall EU motor vehicle sales were down nearly 3.0% quarter-on-quarter, even as some carmakers like BMW saw gains in specific markets like Europe, and household goods wholesale also weakened, falling almost 2.0% vs last quarter.

While grocery retail growth and food production are still growing, broader retail sentiment is weakening. This highlights a split between essentials and discretionary spending.

However, the slump in retail won't persist driving demand down. Consumer fundamentals are improving across the board in Europe, and spending might be picking up and providing an upwards pressure for rates on the medium term. Inflation is steady at 2.0% and the ECB's interest rate cuts have brought borrowing costs to their lowest levels in over a year. In theory, that should give consumers and businesses more breathing room.

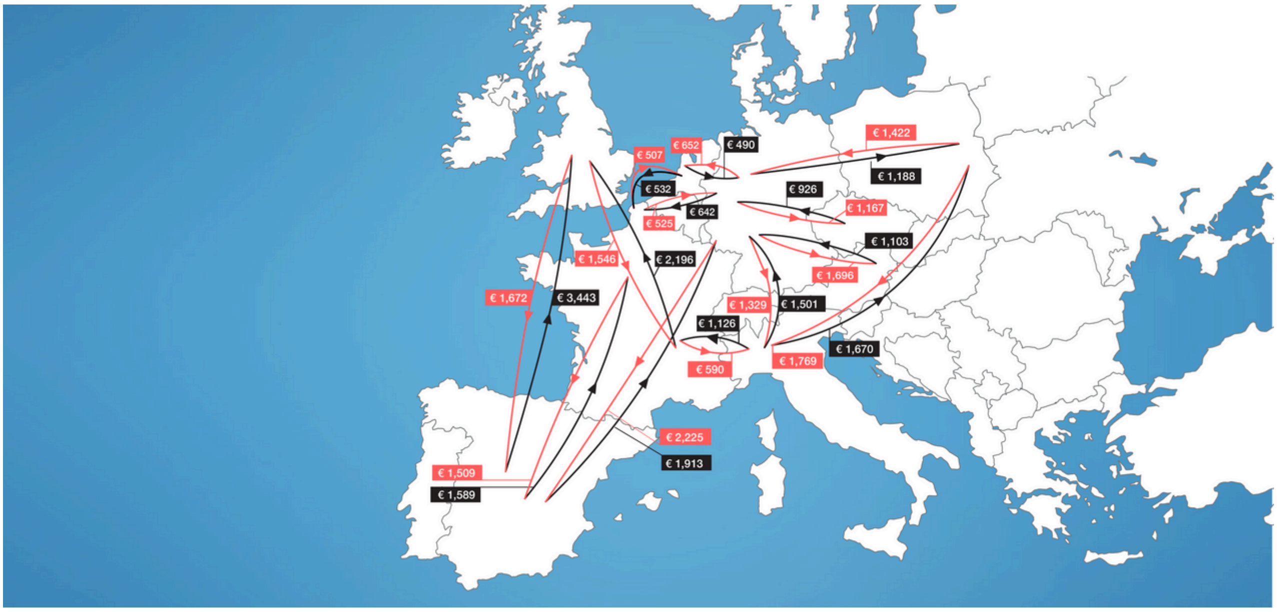
But external pressures remain. The tariffs have the potential to reshape the trade landscape, and we might observe increased imports from China as a result of rocky US-China trade relations. If those flows increase, freight demand could rise alongside them, particularly on city to port lanes, bringing with it upwards pressure on rates later in the year.

Outlook

Looking ahead, spot road freight rates are likely to face continued downward pressure due to uncertainty amid a deteriorating economic environment. According to the European Commission, economic sentiment in Eurozone retail fell to -7.6 in June, down from -7.2 in May, while consumer confidence edged lower to -15.3 from -15.1. Sentiment in the industrial sector also dropped to -12.0, from -10.4 the previous month. Businesses are reluctant to place orders, therefore reducing the likelihood of upward demand pressure on contract rates for the upcoming months.

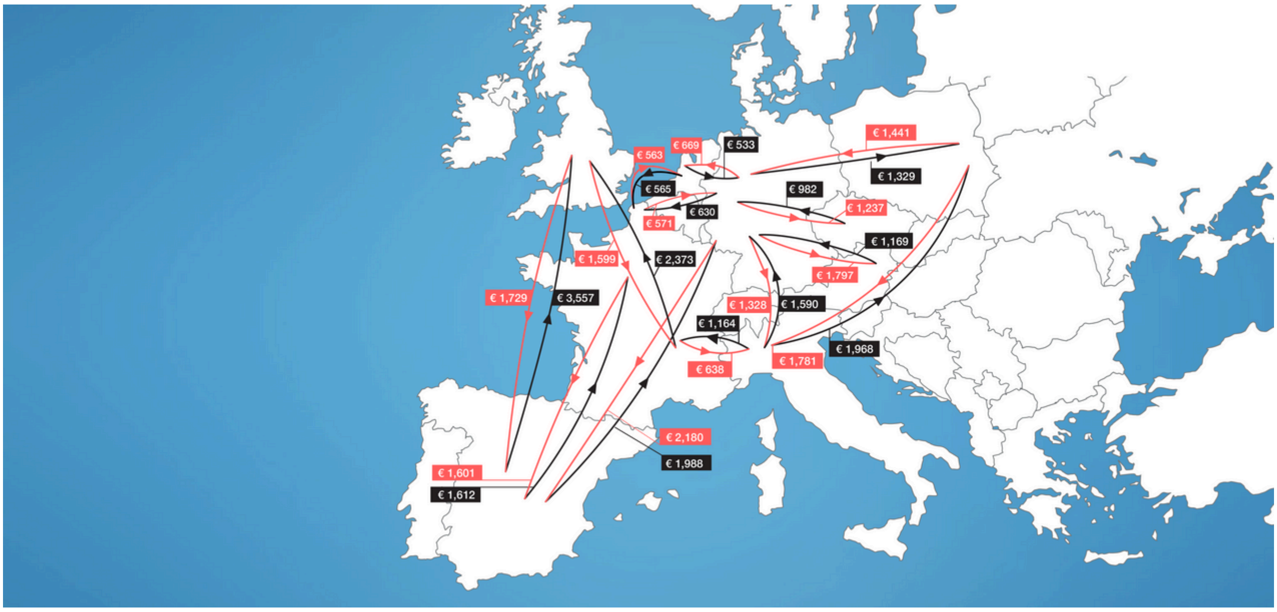
At the same time, retaliatory tariffs on the U.S. could push contract rates higher if increased Chinese exports to Europe boost volumes and tighten capacity. However, prolonged trade tensions risk slowing the EU economy, which would dampen manufacturing and retail sales. With inflation steady at 2.0% and interest rates recently cut, consumer spending shows signs of strengthening, but cautious sentiment and political uncertainties may limit growth. In the short term, weaker retail demand and subdued investment are likely to keep downward pressure on rates. However, increased spending power from European consumers may put upward pressure on spot rates later in 2025.

Ti x Upply x IRU European Road Freight Benchmark Map – Q2 2025
Contract Rates



Source: Upply

Ti x Upply x IRU European Road Freight Benchmark Map – Q2 2025
Spot Rates



Source: Upply

02.

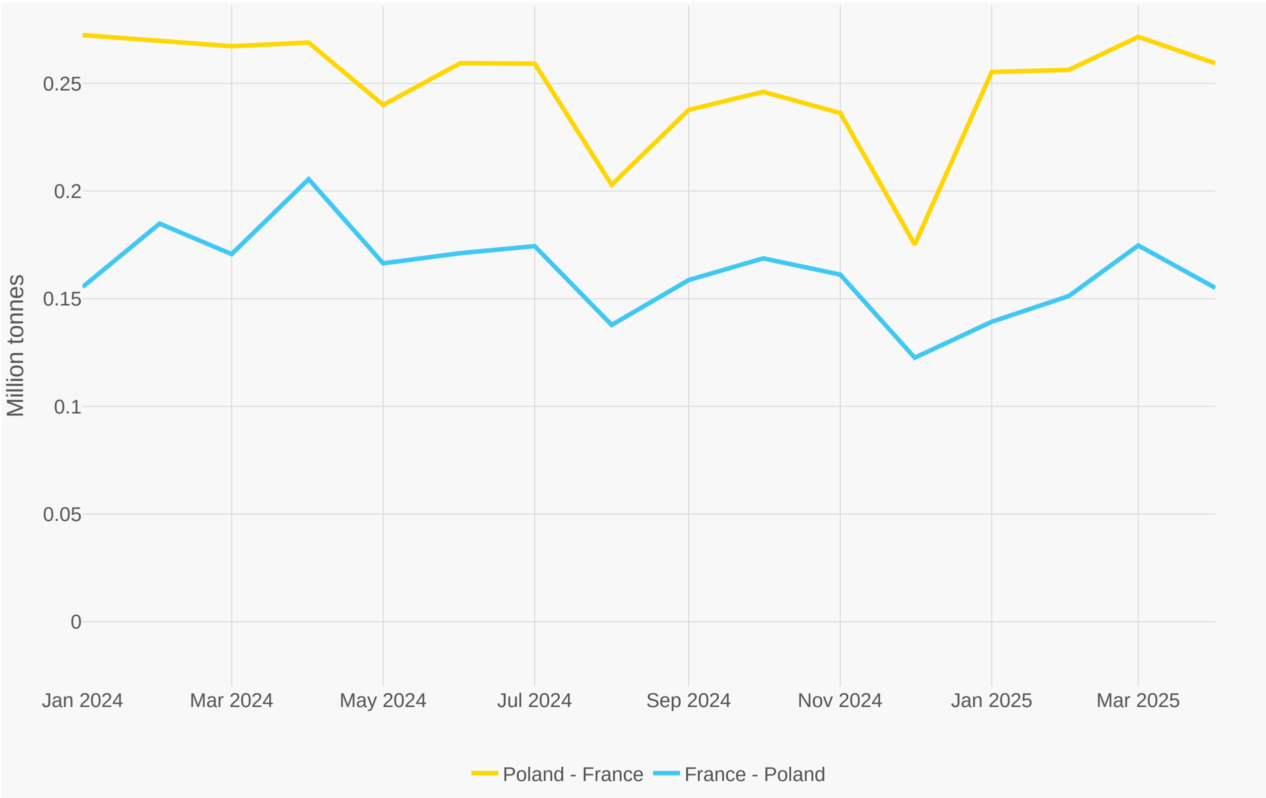
VOLUME DEVELOPMENT

ROAD FREIGHT VOLUME

Market Story

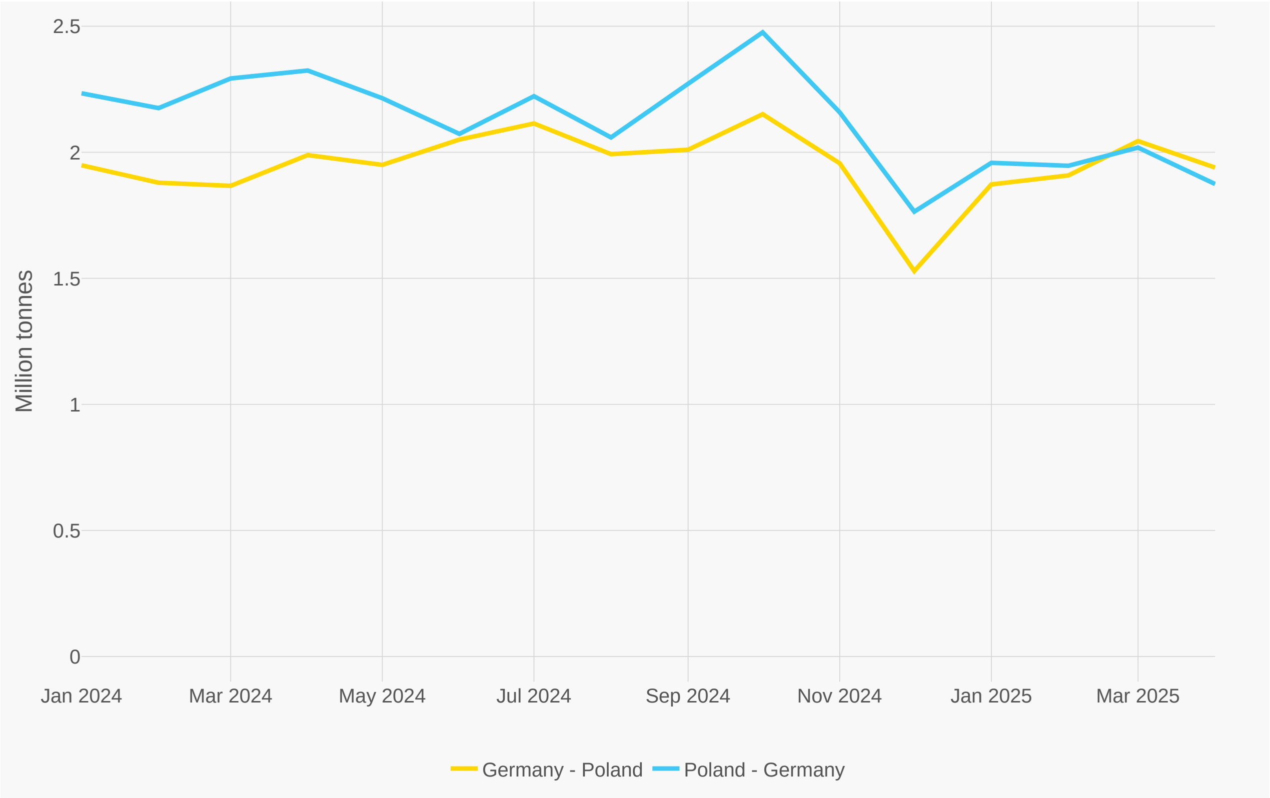
Trades by road between major economies (Germany, France, Poland, Italy and Spain) are showing a rebound from December 2024 low point up to April 2025 (latest data available). However, in a year-to-year comparison, international tonnage exchanges between these economies are lower in 2025 compared to 2024. Household savings reached 15.4% in Q1 2025, explained by consumption increasing at a slower rate than gross disposable income (respectively +0.6% and +0.8%). Q1 figures suggest a halt to this KPI's growth since 2022 (12.9%), with potential increase of consumption from EU households in the coming months. Industrial production fell in April 2025 (−1.6% in the EU), which can be seen in the trade by road figures, but May 2025 saw a rebound (+1.7%) and marked a year-to-year increase of 3.4% in the EU.

Trade by road between Poland and France



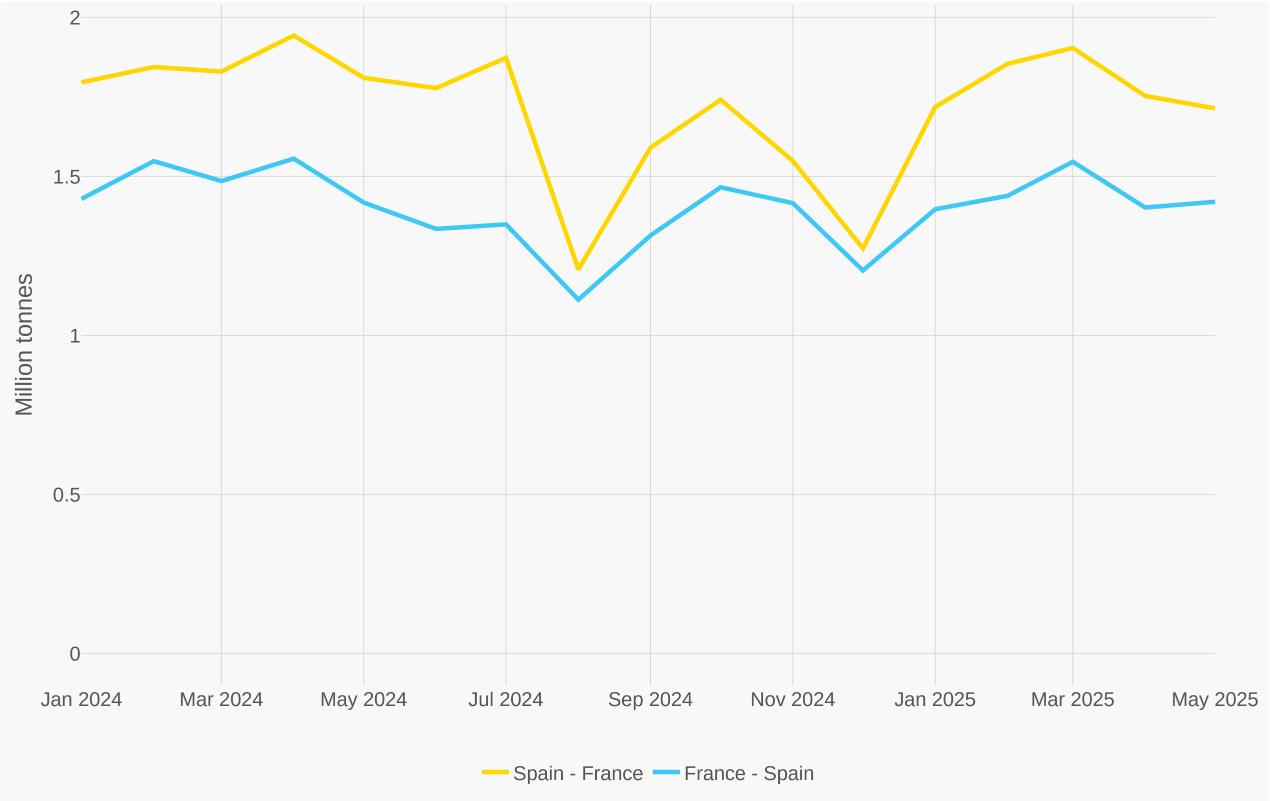
Source: EUROSTAT (DS-059318)

Trade by road between Germany and Poland



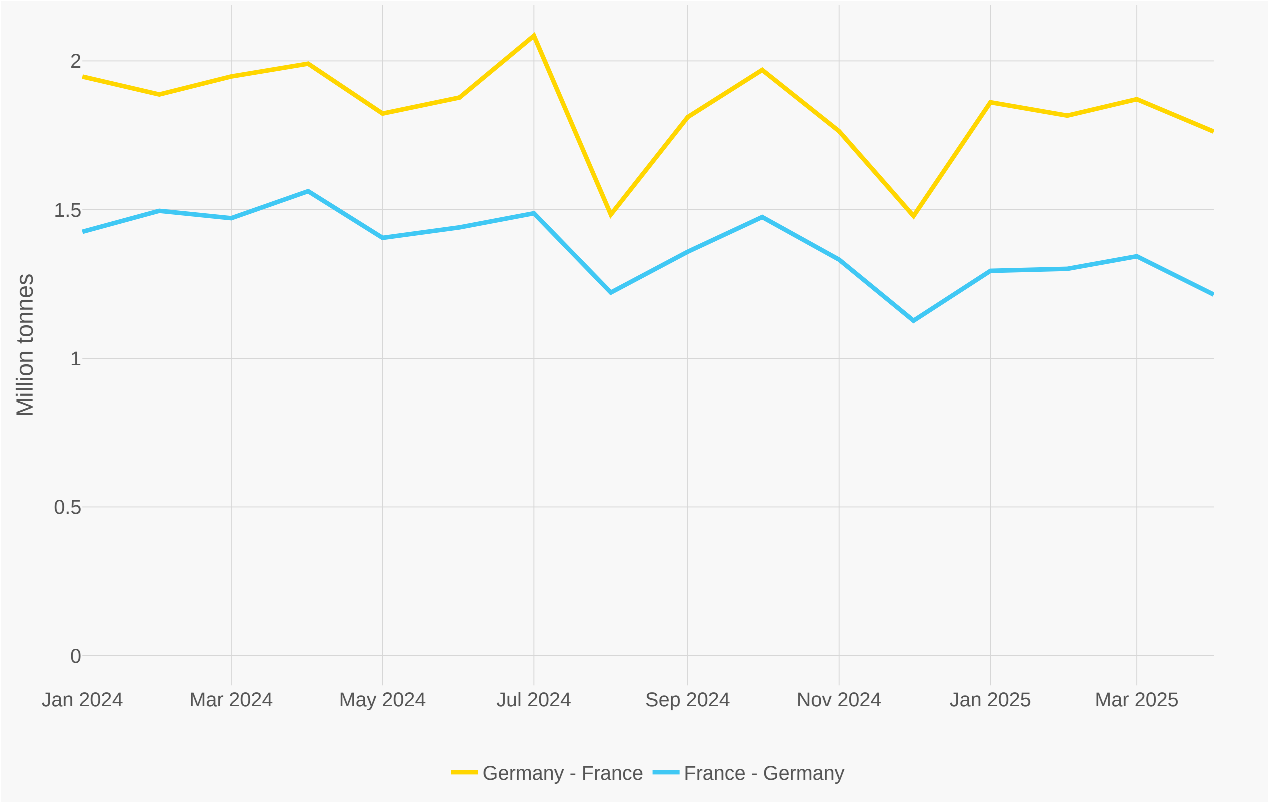
Source: EUROSTAT (DS-059318)

Trade by road between Spain and France



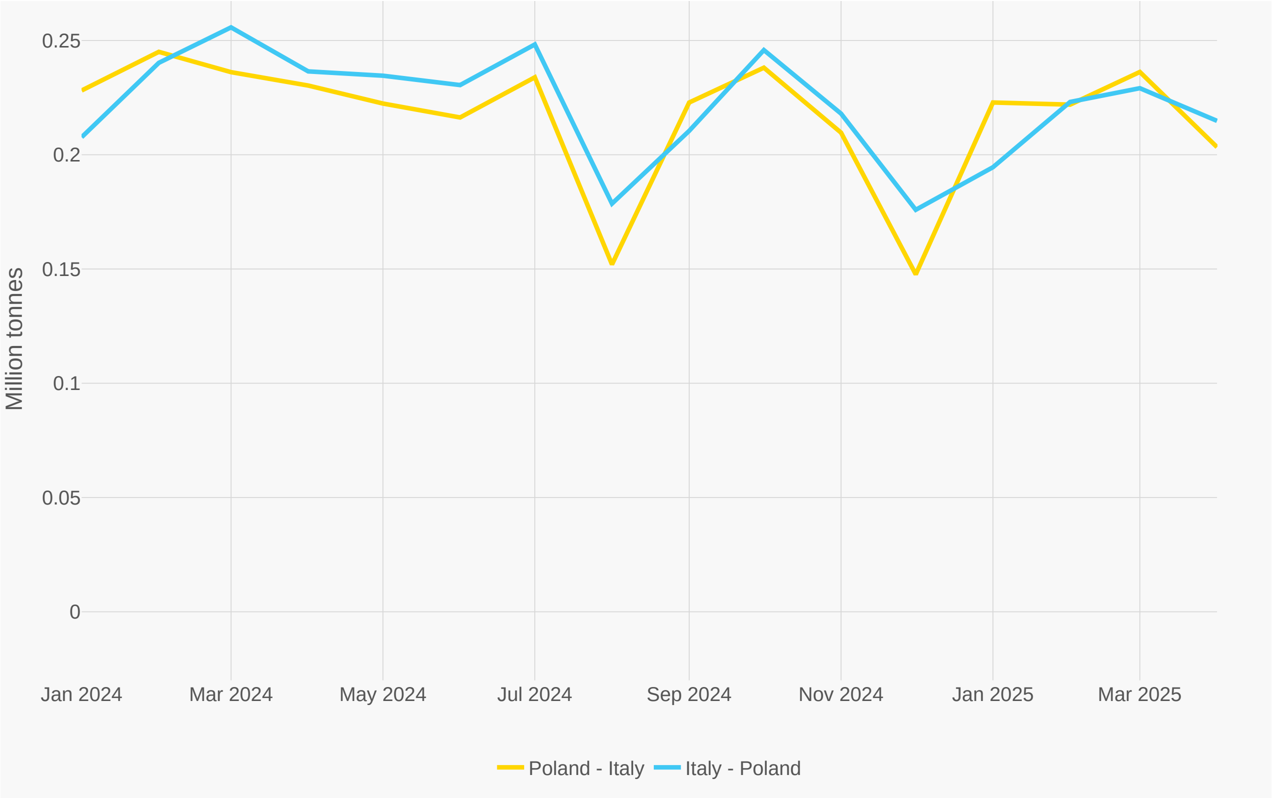
Source: EUROSTAT (DS-059318)

Trade by road between Germany and France



Source: EUROSTAT (DS-059318)

Trade by road between Poland and Italy



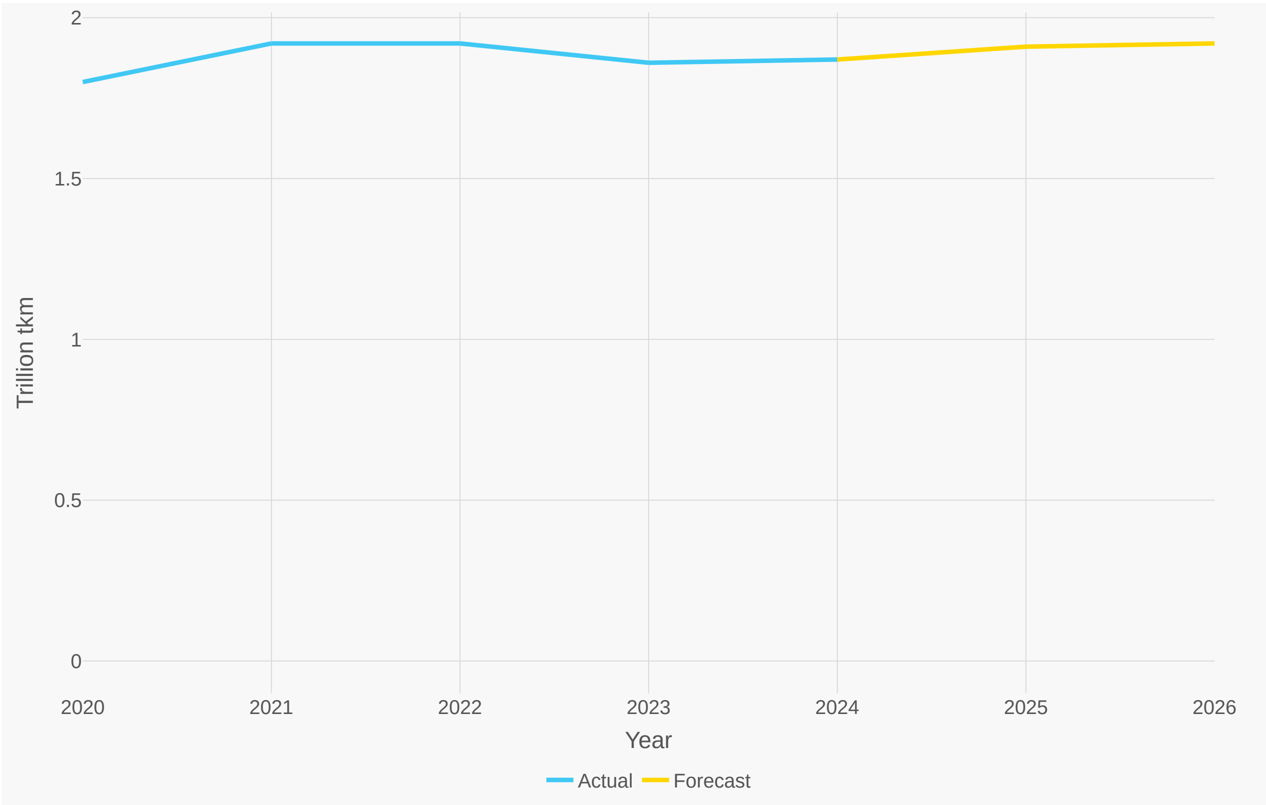
Source: EUROSTAT (DS-059318)

Outlook

After a period marked by high inflation, 2025 should mark the beginning of a rebound in consumer demand, supported by a recovery in purchasing power, lower inflation, and the significant savings accumulated in recent years. As consumption regains momentum, reinforced by bilateral trade agreements and increased manufacturing activity, EU trade is expected to benefit over the long term, assuming new tariffs do not create significant headwinds. Road freight volumes are projected to rise accordingly, with 2025 set to match the 2022 benchmark, the highest point recorded in the past decade.

Road freight activity in the EU is forecasted to show only modest recovery in 2025, supported by steady industrial output but mitigated by slightly worse industry and producer sentiment in Q2 2025 compared to Q1. Still in the EU, Eurostat data shows inflation continued its downward path, easing to 2.3% in June 2025. Furthermore, industry sentiment improved, with the producer confidence index climbing from −11.4 in January to −9.9 in March, and industrial production rebounding to an index value of 101 in May, above the 2021 baseline. This signals a reactivation of the manufacturing and mining sectors, likely to support road freight volumes over the coming quarters.

EU road freight volumes over time



Source: IRU forecast ***[1]***

[1] Download the IRU Intelligence Briefing, A breakdown of the latest EU road freight volumes and forecast to 2030, here

03.

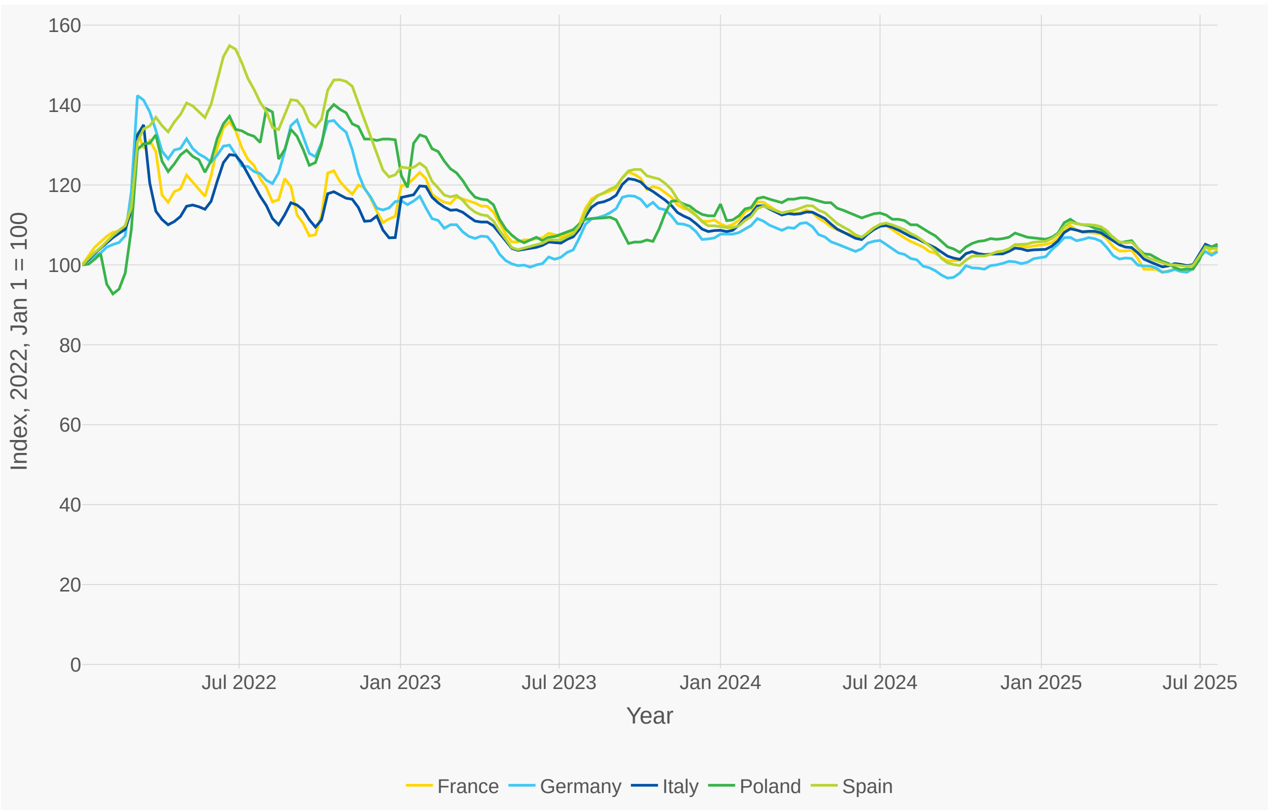
SUPPLY SIDE ISSUES

ROAD TRANSPORTATION COSTS

1. Fuel prices

Q2 2025 saw a decline in diesel prices by 6.4%, but prices rebounded at the end of Q2 due to the Israel-Iran war, creating uncertainties about Iran's oil exports and tensions in the global oil supply chain. Brent increased from 66 to 76 USD per barrel from early to mid-June and has stabilized around 69 USD per barrel since July. Tensions are easing in the Middle East, and OPEC+ countries announced in July they will increase production from August 2025. The EIA's 2025 forecast has revised the average Brent price from 68 USD to 69 USD since the latest report. Questions remain, notably as the US administration is once more putting pressure on economic partners to reach a deal on tariffs, which might jeopardize price trends on US energy exports.

Index of diesel prices at pump

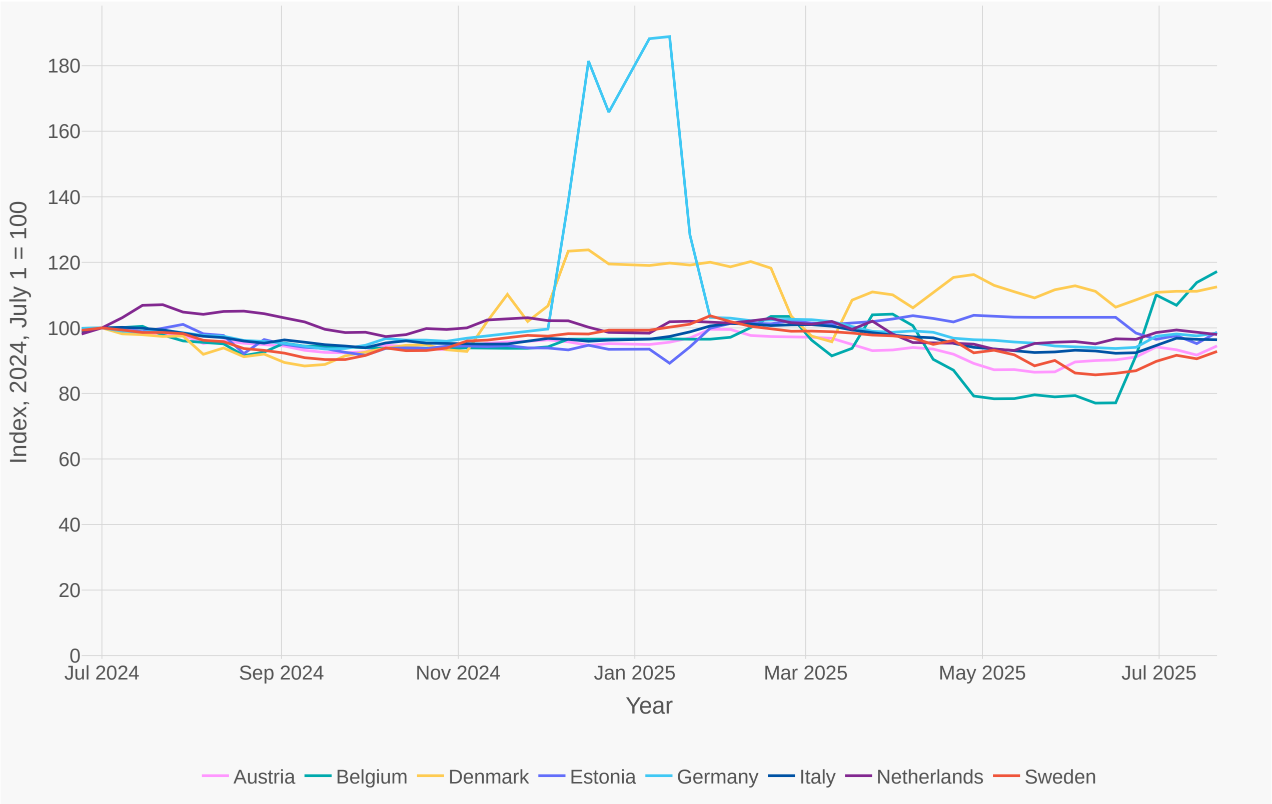


Source: IRU fuel prices service ***[2]***

[2] Access weekly price updates for diesel and alternative fuels in more than 65 countries and a one-week forecast IRU Intelligence, Fuel live prices

With HVO distribution ramping up, prices at fueling stations are going down on a yearly basis, having decreased by 6% in the last quarter-to-quarter comparison. However, HVO prices are still higher than diesel, with an average premium of 20% across the EU + UK. It should be noted that despite the recent decrease in diesel prices, HVO pricing is more stable, with the exception of the Belgian and Danish markets.

Index of HVO prices at pump

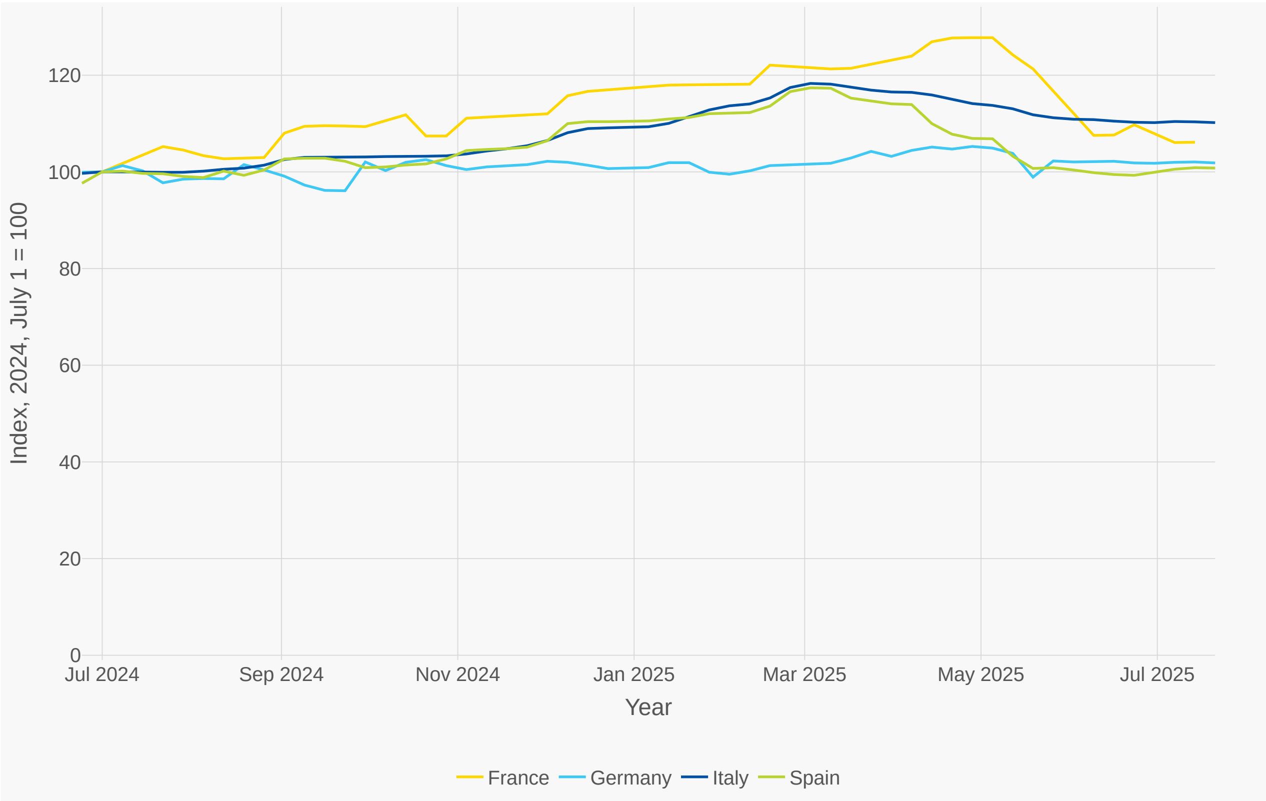


Source: IRU fuel prices service ***[3]***

[3] Access weekly price updates for diesel and alternative fuels in more than 65 countries and a one-week forecast IRU Intelligence, Fuel live prices

CNG prices are indexed on natural gas prices. The EU Dutch TTF reached its lowest point at the end of April, at 32 EUR/MWh, rebounding then by 10% afterward. As for diesel, the Israel-Iran war had an impact on prices, with TTF reaching 41 EUR/MWh mid-June, before quickly falling, thus having a limited impact on CNG prices at retail stations. In the future, uncertainties remain as the EU is still refilling its stocks before winter, with storage capacity reaching 62% at the end of Q2 while being at 38% at the end of Q1. The US ultimatum to the Russian Federation, a cold winter in North Asia, and expected maintenance in Norway might drive prices up in the coming months. In a yearly comparison, CNG prices saw an increase of 5% on average at EU retail stations.

Index of CNG prices at pump



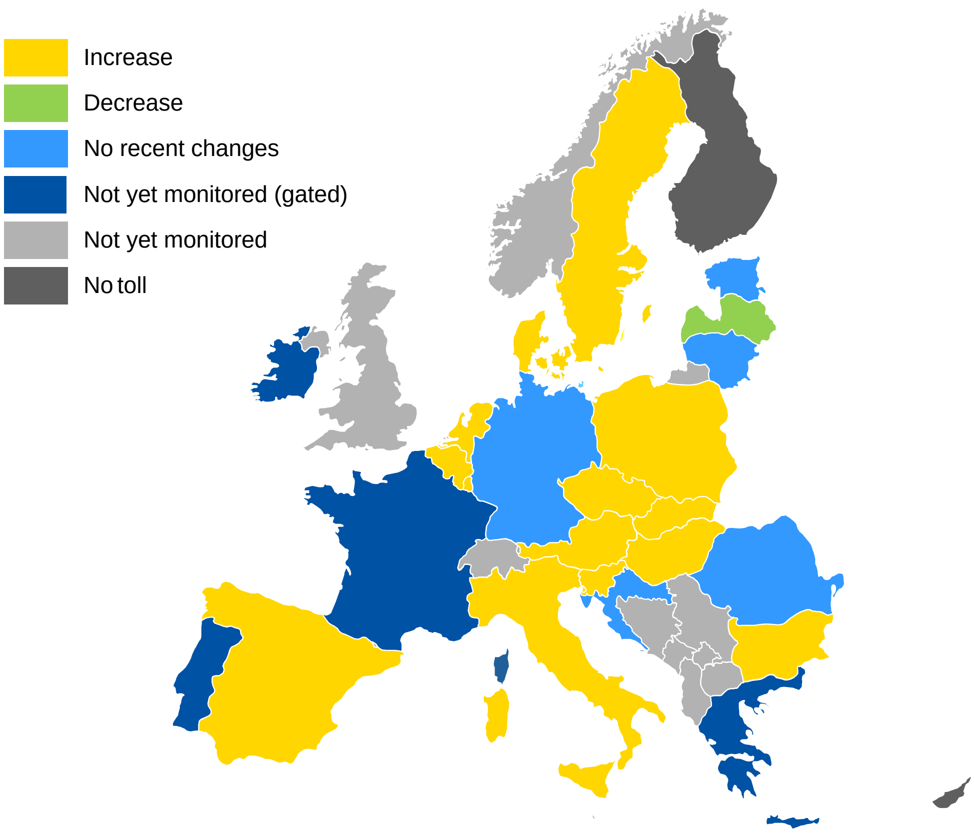
Source: IRU fuel prices service ***[4]***

[4] Access weekly price updates for diesel and alternative fuels in more than 65 countries and a one-week forecast IRU Intelligence, Fuel live prices

2. Tolling costs

On tolling, Q1 2025 saw an increase in numerous countries, with the exception of Latvia, but only for EURO VI articulated vehicles, with other truck combinations seeing an increase in the applied tolls. Toll increases range from +1.8% in Italy to +20% in Bulgaria on a year-on-year comparison. Denmark changed its tolling scheme in January, now applying a digital distance-based fee instead of a time-based one, making the country compliant with the latest Eurovignette revision. The Netherlands, Luxembourg and Sweden applied a CO2 component to their time-based fee at the end of March 2025, raising prices by +2% for EURO VI Class 1 articulated vehicles. These three countries are preparing to move toward digital distance-based fee calculation, expected to be implemented in 2026. In Q2, it was communicated that Slovakia is implementing the Eurovignette revision, adding a CO2 component to their distance-based fee taking into account the CO2 class of vehicles. Since July 1, 2025, EURO VI Class 1 articulated vehicles will see a fee increase of 41% with VAT, and 44% with VAT as the VAT ratio increased from 20% to 23%.

European Union latest tolling prices trend



Source: IRU Intelligence Monitoring, Tolling status in the EU ***[5]***

[5] Download the IRU Intelligence Monitoring, Tolling status in the EU, April 2025 here

In France, the adoption of an Ecotaxe in Alsace, potentially aligned with the Eurovignette framework, was approved on 21 October 2024, paving the way for a possible rollout by 2027. The measure is expected to apply notably to the A35 highway, a key route often used to bypass Germany's LkW-Maut. For other major roads, the application of the Eurovignette Directive will be tied to the renewal of existing concession contracts.

Meanwhile, in May 2024, the European Commission issued formal notices to 16 Member States (among them Belgium, Italy, Poland, and Spain) urging progress on transposing the Eurovignette Directive. As a result, as it was for Slovakia, regulatory changes in these countries could be on the horizon.

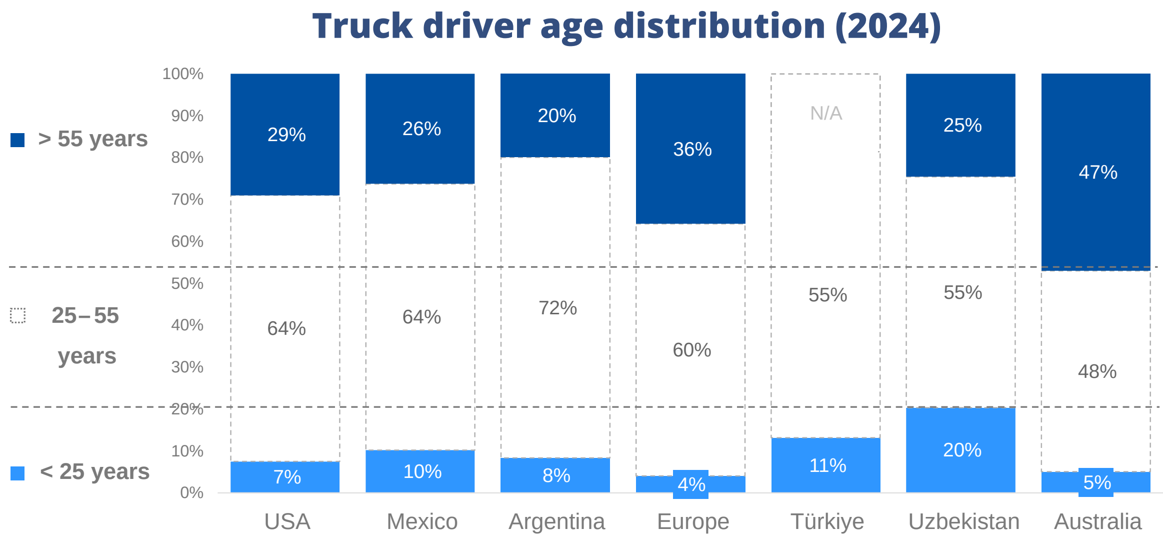
CAPACITY OUTLOOK

Registrations of MDV and HDV rebounded quarter-on-quarter by 13% for diesel trucks (about 82,000 new diesel trucks) and 17% for battery electric (3,000 new electric trucks). However, the first semester of 2025 was 15.4% lower than 2024, mostly explained by a spike in sales just before the GSR2 implementation. Battery electric vehicles had a penetration share of 3.6% during Q1+Q2 2025, with about 5,600 trucks sold, the biggest market for battery variants being Germany, followed by France and the Netherlands. The share of diesel trucks in new registrations shrank by 2 points between the first halves of 2024 and 2025.

The smart tachygraph G2V2 will become a mandatory equipment for carriers operating internationally. The deadline to retrofit smart tachygraph from V1 to V2 has been postponed to the 18th of August 2025 for HDV. For LDV with a maximum permissible mass greater than 2.5 tonnes, the deadline to get installed G2V2 has been set on the first of July 2026.

DRIVER SHORTAGE

The truck driver shortage continues to intensify across Europe, with 426,000 positions remaining vacant according to IRU's 2024 Global Truck Driver Shortage Report. In response, EU institutions have reached a political agreement to address the issue: the European Commission, Council, and Parliament have aligned on lowering the minimum age for professional truck drivers to 18, with training permitted from the age of 17. The agreement also includes measures to ease the mobility of non-EU drivers, aiming to broaden the available driver workforce and help alleviate the shortage across Member States.



Source: IRU Intelligence Briefing, Global Truck Driver Shortage Report 2024 ***[6]***

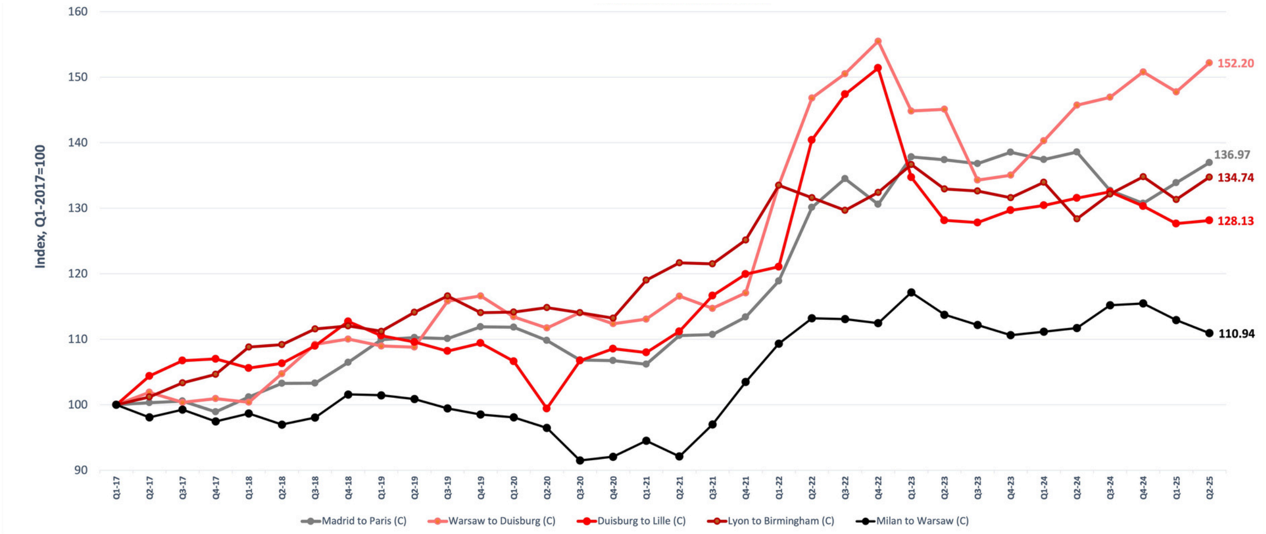
[6] Download the IRU Intelligence Briefing, Global Truck Driver Shortage Report 2024 here

04.

COMPARISON OF INTERNATIONAL LANES

CITY PAIRS - CONTRACT

Headhaul Contract Rates



Source: Upply

Rates Data

The contract rates from Madrid to Paris stand at 137.0 index points, that is € 1.25/km. Up 3.1 points quarter on quarter, however down –1.6 points year on year.

The contract rates from Warsaw to Duisburg stand at 152.2 index points, that is € 1.32/km. Up 4.4 index points from last quarter, and up a further 6.5 index points compared to the same period last year.

From Duisburg to Lille, the index stands at 128.1 index points, € 2.09/km. This is up only marginally from last quarter by 0.5 points. Year on year contract rates are down on this route by 3.4 points.

From Lyon to Birmingham, the index stands at 134.7 points this quarter, € 2.07/km on average. Contract rates are up 3.4 index points quarter on quarter, compared with last quarter's 131.3 index points, and also up 6.4 points year on year, vs last year's 128.4 points.

In contrast, contract rates have dropped on the Milan to Warsaw route by 2.0 points, as they stand at 110.9 points in Q2-2025, compared with last quarter's 112.9. This is on average € 1.10/km. The index also dropped year on year, by 0.8 points and the index was 111.7 points.

Market Story

German exports to France are largely composed of industrial goods such as automobiles (accounting for approx. $11.4B annually) machinery ($27.9B), and chemicals ($15B), and these categories remain weak at the moment, contributing to downward pressure on spot rates from Duisburg to Lille.
The decline in rates follows broader signs of stagnation in German manufacturing, where industrial orders have declined, by 4.5% year on year, output expectations remain flat quarter on quarter, and sentiment has worsened year on year, these macro-indicators continue to hold on contract rates, pushing them downwards.

In contrast, contract rates on the Lyon to Birmingham route are up both quarter on quarter and year on year, potentially reflecting a rebound in UK import activity, particularly from France. According to the ONS, the UK has seen a rise in imports of machinery and transport equipment, an increase of £300 million in automotive imports from the EU alone, driven by rise of car imports from Germany, along with a notable increase in medicinal and pharmaceutical products from France. As the UK imported £1.6 billion worth of medicinal and pharmaceutical products from France, in the four quarters to the end of Q1 2025. The sector's performance stands out. For example, French pharmaceutical giant Sanofi reported strong quarterly results in Q1 2025, as business operating income (excluding exceptionals) rose by 20.1% year-on-year, reaching €2.90 billion.

At the same time, businesses may be anticipating higher demand into the UK and are looking to secure contracts in advance, contributing to the upward pressure on contract rates. The UK's GfK's Consumer Confidence Index rose to –18.0 in June 2025, up by 2.0 points from May.

Meanwhile, contract rates on the Milan to Warsaw route have declined slightly, likely due to weakening Polish industrial demand and a small drop in operating costs on this route, with diesel prices in Italy falling by 4.2% quarter on quarter. Poland's manufacturing PMI also dropped in June, falling below expectations, decreasing from 47.1 in May to 44.8 points, marking a 0.2-point fall compared to June last year, and has plunged further into contraction territory (below 50.0 points) after previously optimistic outlooks. Three of the five components, new orders, production, and inventories, dragged the index down. After reaching a 45-month high in March, the future manufacturing index has since declined, hitting its lowest level since November 2024. Business confidence also fell to –7.0 from –6.4 points. The weak manufacturing sector can have a downward pressure on contract rates into Poland. Despite this, Polish consumption continues to be the main driver of growth in the second quarter, which might balance out on the medium term to buoy contract rates in anticipation of future consumer demand.

Outlook

It's not all doom and gloom for Polish manufacturing. In fact, the sector could be entering a period of renewal, particularly through the growth of energy technology and advanced battery production. A major development is Lyten's acquisition of Northvolt Dwa ESS, Europe's largest battery energy storage systems (BESS) manufacturing and R&D facility, based in Gdansk. Lyten plans to restart production immediately and expand the product line to include the world's first lithium-sulfur powered BESS, a move aimed at meeting growing European demand for locally made, geopolitically secure energy solutions.

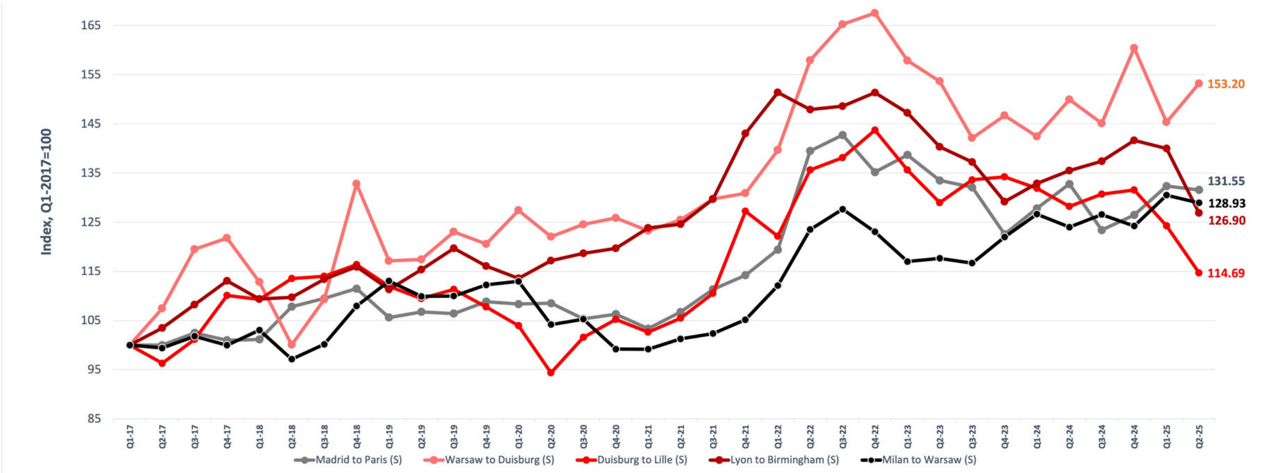
With BESS emerging as the fastest-growing segment of the battery market, which is especially vital for powering AI data centers, this marks a significant step forward for Polish industries. The shift away from heavy industry is revitalising and repurposing Poland's manufacturing sector, positioning it to better meet the demands of modern industry and energy systems.

As this transformation takes shape, it could also support contract road freight rates particularly on outbound routes from Poland, as renewed industrial activity boosts demand for long-term contracts.

Overall, ongoing trade tensions pose a risk to the EU economy, which would lead to softer retail sales and manufacturing output. Though inflation is steady at approximately 2.0% and recent cuts in interest rates provide some stimulus to consumer spending, political uncertainties and restrained consumer sentiment can rein in overall growth. In the meantime, businesses may be attempting to secure contracts early, driving upwards pressure on contract rates as they prepare for potential volatility further down the line.

CITY PAIRS - SPOT

Headhaul Spot Rates



Source: Upply

Rates Data

The spot rates have painted a mixed picture, with both steep climbs and deep drops in the mix. On the Warsaw to Duisburg lane, the spot rate index surged 7.9 points quarter on quarter, and now stands at 153.2 points (€ 1.33/km) compared with last quarters 145.3 points (€ 1.27/km). Compared with the same quarter last year, the index rose 3.3 index points.

Duisburg to Lille spot rates stand at 114.7 index points (€ 2.09/km), sliding -9.5 points from last quarter's 124.2 points. Year on year rates have declined even further, by a staggering -13.5 points, from 128.2 points around this time last year.

Lyon to Birmingham spot rates are down even more, by 13.1 points quarter-on-quarter. The latest reading was 126.9 points (€ 2.07/km), whereas last quarter's reading was 140.0 points (€ 2.29/km). It's a similar picture year on year, as the index is 8.6 points below last year's level of 135.5 index points, which is around € 160 cheaper per journey.

The Madrid to Paris spot index stands at 131.5 points, which averages € 1.27/km, slightly below last quarter, falling by 0.8 points. They were down from last year as well, they stood at 132.8 index points and now were down 1.2 points.

Milan to Warsaw, the current spot rates index stands at 128.9 index points (€ 1.29/km) dropping by 1.6 points compared with last quarter. Year on year, the index is up 4.9 points from last year's value of 124.0 points (€ 1.24/km).

Market Story

Spot rates on the Duisburg to Lille route have fallen sharply, dropping by 9.5 points quarter on quarter and plunging 13.5 points year-on-year. A notable shift in supply side rate pressure was a decrease in diesel prices, as it fell 5.1% quarter on quarter in Germany, and 7.1% down in France over the same period. Diesel accounts for up roughly 22.1% of truck operating costs, so the fall in diesel price in both Germany and France has reduced some cost pressures. Other cost components have remained relatively stable.

The real story seems to be demand, or the lack of it. German exports to France have slowed noticeably, especially in key sectors like cars, machinery, and chemicals. According to statistics from Destatis, German new orders from abroad are drying up. Electrical equipment new orders are down 2.4%, chemicals down 11.0%, and machinery and equipment down 12.0% compared to the previous quarter.

Overall, German industrial orders have fallen 4.5% year-on-year. That weakness is now filtering directly into the freight market, and has had a downward pressure on spot rates. With fewer goods moving, particularly across major industrial links like Duisburg to Lille, spot rates are slipping fast.

Softer consumer spending has begun to weigh down spot rates on the Lyon to Birmingham route. Rates have declined by 13.1 points quarter-on-quarter.
A possible culprit is a defined fall in short term demand. According to the latest retail data from the ONS, monthly sales volumes had their largest fall since December 2023, in May 2025. UK retail sales volumes are estimated to have fallen by 2.7% in May 2025 compared with June 2025, following a rise of 1.3% in April 2025.
Food store volumes led the drop, down 5.0%, driven by supermarket cutbacks and falling alcohol and tobacco sales. This was their largest monthly fall since May 2021. Non-food categories like clothing and household goods also saw noticeable pullbacks, falling by 1.4% over the month.

Company updates this quarter have painted a mixed picture. Tesco, the UK's largest supermarket chain, surpassed expectations with strong Q1 sales, despite describing the market as *"intensely competitive."* In contrast, discount retailer Poundland announced plans to shut 68 stores amid ongoing challenges.
This weakness in demand is more than a temporary drop, total retail volumes remain 2.7% below pre-pandemic levels, and online sales, often seen as a buffer, fell by 2.5% year-on-year. In-store and online sales combined were down 2.4% in May, suggesting a consumer demand slow down for physical goods. This fall in short term demand can be contributing factor to the downward pressure on spot rates.
In contrast to the trends observed for this route on the contract rates front, being buoyed by industrial import demand, spot markets react quickly to shifts in consumer demand, and with, consumers tightening spending, and inventory needs softening, there's simply less urgency for businesses to use spot market, therefore having a downwards pressure on rates.

Outlook

France's economic outlook remains subdued, with business sentiment continuing to underperform. In June, the business climate index held steady at 96.0, still below the long-term average of 100.0 and short of expectations, according to ING.

This follows a sharper decline in May, particularly in the industrial sector, where the confidence index dropped by 3.0 points. Business order books have thinned, and production expectations are growing more pessimistic, especially in machinery, equipment, and transport manufacturing.

With industrial momentum weakening and no sign of a near-term rebound, import demand into France is likely to soften. As a result, inbound spot rates are expected to come under further downward pressure.

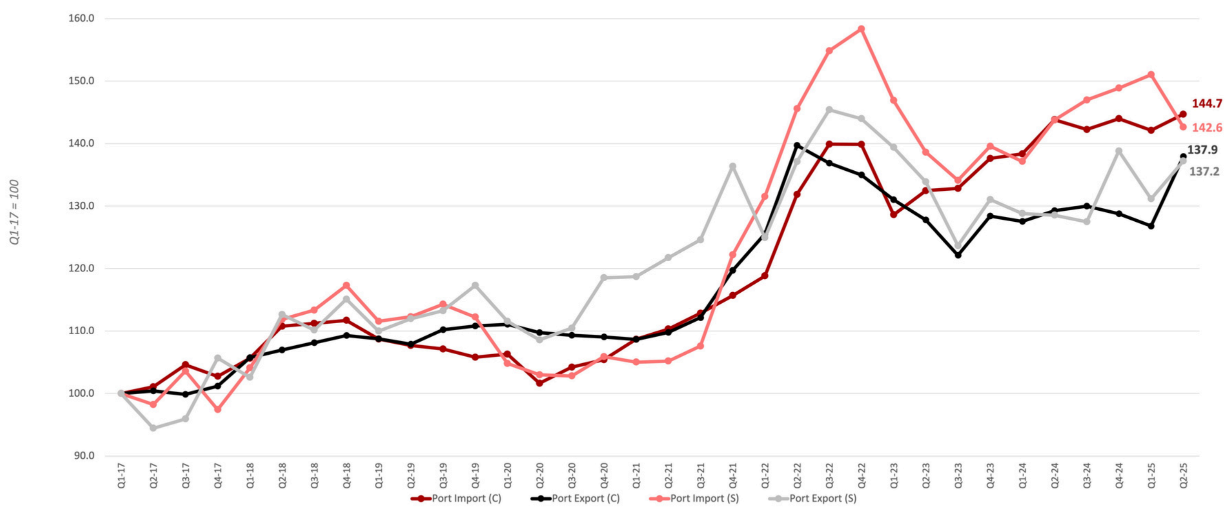
Sluggish growth, with Q2 2025 GDP expected to stagnate or even contract, combined with ongoing fiscal restraint and unresolved trade frictions, paints a muted picture for the remainder of the year, and rates are unlikely to recover above their previous levels on the medium term.

In addition, if weak demand conditions in the UK persist, especially in the run-up to the quieter summer period, spot rates could remain depressed into Q3, particularly on cross-Channel routes like Lyon to Birmingham that are closely tied to consumer goods.

Not unlike the UK and France, looking ahead, spot road freight rates are expected to remain under downwards pressure as persistent economic uncertainty weighs on road freight rates and demand expectations. According to the European Commission, the Economic Sentiment Indicator fell to 94.3 in June, well below the long-term average of 100.0. This decline is driven by weak retail sentiment, as consumer confidence dropped to –14.8 in June from –14.5 in May, and industrial sentiment slipped further to –12.0 in the same period.

PORTS

Contract and Spot Rates to and from Rotterdam and Antwerp



Source: Upply

Rates Data

Port import and export rates data reveals a varied demand landscape.

Quarter on quarter, port import contract rates rose 2.6 points, and they now stand at 144.7 index points. Year on year this is a 0.9-point rise.

On the other hand, there was a staggering drop in import spot rates, as they have dropped from last quarter by 8.4 index points, from 151.0 points to 142.6 points.

On the export leg, we have observed massive spikes for both contract and spot rates. The port export spot rates have risen to 137.2 points, up by 6.1 points from last quarter's 131.1. Year on year that is an 8.7 index point rise.

Contract rates are up even more on the export leg, by 11.1 points. They now stand at 137.9 points compared with last quarter's 126.8. That puts contract rates above spot rates by 0.7 points, for the first time since Q3 last year.

Market Story

Over the last 2 quarters, significant trade diversion occurred as Chinese exports to the US declined, enabling members of the EU to gain market share, according to the ECB.
The highest ports rate increase observed over the last quarter was for good exports contract rates. This comes as no surprise when we look at Q1 2025 EU exports increasing by 8.6%, according to the latest trade data from Eurostat. This was the highest quarter on quarter export growth since Q3 2020. This unprecedent export growth was buoyed by tariff related uncertainty, as the largest export partner for the EU over Q1 2025 was the United States.

The strongest export categories overall were chemicals and related products category exports increased 24.4% quarter-on-quarter. Machinery and vehicles exports increased 5.0% quarter-on-quarter, outpacing imports in the same category. The rise of contract rates on the export leg in particular can be due to industry expectations of higher volumes and demand on the medium to long term. European companies might be increasing exports to markets where the U.S. or China pulled back, putting upwards pressure on contract rates.

In 2024, the euro area imported roughly €400 billion worth of manufactured goods from China, accounting for over 20% of total extra-euro area imports. While China is already the Euro Area's biggest trade partner, US-China tensions could redirect Chinese exports to the euro area, boosting supply and lowering prices. The pass-through is strongest for technology and housing goods. And we are already looking at an economic environment in the EU where there's less inflation recently, which coupled with lower interest rates, results in higher spending power.

While there was a large deficit with China resulting from deficits in machinery and vehicles and other manufactured goods. These same two product groups caused surpluses with the United Kingdom and Switzerland.
The only decrease observed on the port routes was for spot rates on the import leg. This is possibly due to short term demand pressure being lackluster, as recent statistics of EU economic sentiment show that it is stagnant. In June 2025, the Economic Sentiment Indicator (ESI) decreased in the EU (-1.0 points to 94.0). Scoring below its long-term average of 100.
Overall, there's less demand pressure in the short term. The US tariffs stand to deter imports, and products might become more expensive. This uncertainty, coupled with a less than favorable global trade outlook, will put a downward pressure on import spot rates.

Outlook

As global trade flows undergo realignment in response to potential US-China tariff scenarios, Europe stands to gain trade market share. McKinsey scenario modelling suggests that European exports to the United States and imports from China could each increase by nearly $200 billion, significantly altering the flow of goods through major European ports.

For road freight rates, this points to rising volatility, albeit with rising demand. Import rates from European ports to cities may come under renewed pressure if Chinese goods flood in. Meanwhile, outbound export rates from cities to ports could be pushed up by higher demand pressure and competition for port going capacity.

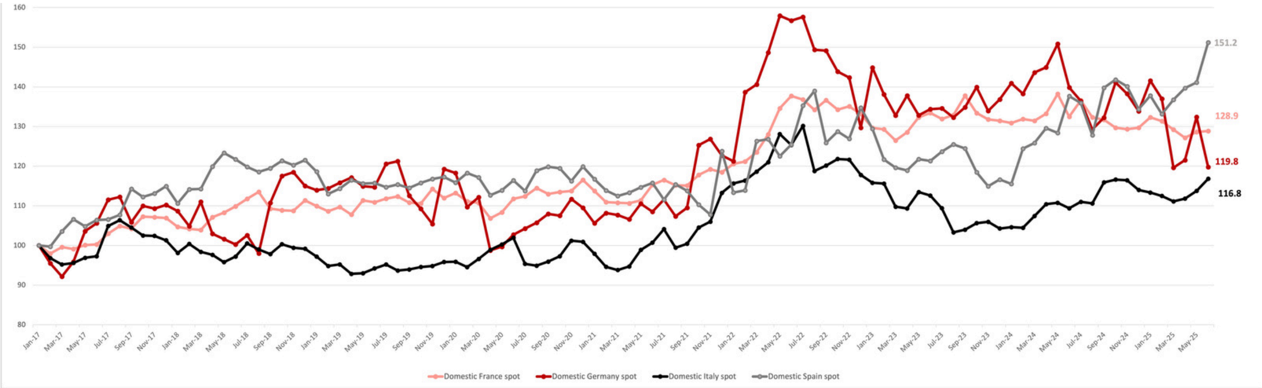
Poland is the second-largest exporter of lithium-ion batteries, accounting for about $12 billion annually, thus sectors like battery technology could see high demand from the US.
High demand and subsequent port congestion could also push rates upwards. Overall, the coming months could bring sharper swings in port import/export road freight rates.

05.

COMPARISON OF DOMESTIC LANES

DOMESTIC LANES - SPOT

Domestic Spot Rates



Source: Upply

Rates Data

The French domestic spot rates index stands at 128.9 index points in June, up 0.2 points month on month but down -2.8 points vs last quarter and down even more compared to the same quarter last year, by 6.4 points.

In Germany the domestic spot rate reading for June was 119.8 points, down substantially month on month, by 12.6 points, down 8.2 quarter on quarter, and down a whole 20.6 points year on year.

Italian rates were at 116.8 points at the end of June, up modestly month on month by 3.0 points, up quarter on quarter by 1.8 points and up 4.0 compared with the same quarter last year. Overall, the trend in Italy seems to be upwards pressure for domestic spot prices.

The market direction for Spanish spot rates is upwards. Spain stands at 151.2 points in June, up 10.1 points from May, similarly up 8.1 quarter on quarter and up 12.1 year on year.

Market Story

Spain

In Spain, costs have remained relatively steady. Labour costs edged up just 1.0 index point, according to Eurostat's LCI, while diesel prices dropped by 3.9% quarter on quarter, offering a bit of relief to high costs. But the real momentum is on the demand side. Spanish Industrial activity is still growing, particularly for the manufacture of consumer electronics, which is up 14.7% year on year, motor vehicle production rose 5.6% quarter on quarter, and pharmaceuticals are up 9.5%. Industry demand has pushed rates up and is likely to have upwards pressure on domestic contract rates as the manufacturing sector thrives.

Consumer demand is also holding strong, keeping contract rates up as retailers anticipate more demand. Overall Spanish retail trade (excluding automotives) rose by 5.8% compared to last quarter and 3.5% year on year. Categories wise, food, beverages, and tobacco sales in specialised stores grew by 8.5% quarter on quarter, and household equipment retail was close behind at 8.4%. Interestingly, online retail sales fell by 2.7% in the same period, a rare reversal, as shoppers returned to physical stores.

France

The picture in France is more mixed. Like in Spain, costs are easing, as diesel prices fell 7.1% quarter on quarter and 9.3% year on year. Driver wages ticked up by just 1.0 index point, and other operating costs stayed flat. Although, the bulk of the downwards pressure on contract rates can be attributed to the stagnant demand side.

French manufacturing took another step back in June. Output contracted further, and new orders dropped sharply. The final HCOB Manufacturing PMI came in at 48.1, down from 49.8 in May, marking another month in contraction territory (value below 50). In May, manufacturing output fell 1.0% month on month, following a 0.7% dip in April. Total industrial production was down 0.5%, this performance was weaker than predicted values. Compared to the same period last year, manufacturing output is now 0.4% lower. This has held spot rates side down year on year.

Most sectors posted declines, with the exception of transport equipment (aerospace, shipbuilding, and rail) and electricity production. Uncertainty around trade is adding to the caution.

On July 12, Trump announced 30% tariffs on EU imports effective August 1st , disrupting hopes that a 10% agreement was imminent. In response, the EU postponed planned retaliatory tariffs on €21 billion of U.S. goods, originally due June 1st, to August 1st. However, as of July 31, Trump signed a new executive order, “Further Modifying the Reciprocal Tariff Rates”, which reduced the tariff on most EU goods to 15%, as part of a broader deal secured with the EU involving $750 billion in energy purchases and significant investments by 2028. That order delays most of the tariff implementation to August 7th.

The EU automakers and motor vehicle production could be hit hard, as well as the luxury sector.

Outlook

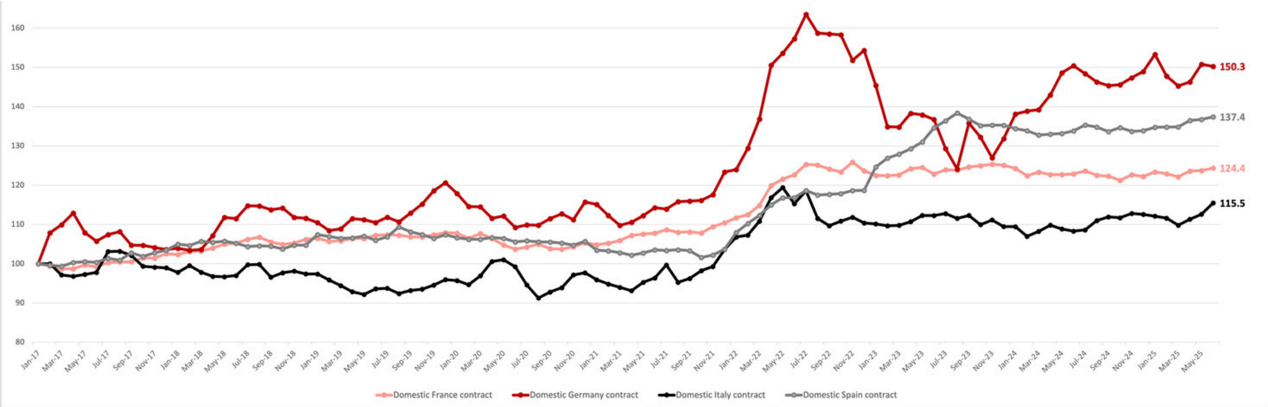
In Spain, the outlook remains cautiously optimistic, though inflation could complicate the picture. Headline inflation held steady at 2.2% in June, while core inflation edged up from 2.0% to 2.2%, surprising those who expected a continued easing toward the ECB’s target. Still, lower interest rates have increased purchasing power and have had a positive impact on demand. In the short to medium term, growing consumer demand can continue to push rates upwards.

On a monthly basis, prices rose by 0.6%, suggesting persistent price pressures that may begin to weigh on consumption if sustained. Still, strong industrial output in sectors like consumer electronics and motor vehicles, coupled with resilient retail trade, should provide some support to rates growth in the near term.

In contrast, France enters the second half of the year on weaker footing. Manufacturing output and industrial production have both declined for two consecutive months, and the latest PMI readings confirm a further deterioration in new orders and output. While falling diesel costs offer some relief to transport and logistics operators, uncertainty around potential U.S. tariffs and a broader decline in business confidence are likely to dampen investment and reduce road freight volumes, which would exert a downward pressure on rates. Overall, France's outlook is clouded by subdued industrial activity and external trade risks. Added to this is a complicated political context: the government has presented a multi-year plan to rebalance public accounts, which includes austerity measures in the 2026 budget. However, the government does not have a majority in the National Assembly to pass the finance bill. It could be censured, which would create a new period of political instability.

DOMESTIC LANES - CONTRACT

Domestic Contract Rates



Source: Upply

Rates Data

Domestic Contract rates are on a much more stable trajectory than spot rates for the time being. As of June, the French contract rates index stands at 124.4, month on month rates remain stable as they only rose 0.7 points. Quarter on quarter and year on year, the rates index inched up by 1.1 points.

The German index reading is at 150.3 points, slightly down from last month by 0.5 points, and up 0.3 quarter on quarter and 1.8 year on year.

Italian domestic contract rates are at 115.5 points, up 2.9 vs May. It is also up 2.0 points vs last quarter, and it has risen 4.1 points above last year's levels.

Spain stands at 137.4. Up only slightly from May, by 0.7 points. It's also increased by 2.1 compared with quarter 1, and by 3.6 points vs last year.

Market Story

Italy

The second estimate of Q1 GDP from i-stat confirms that the Italian economy grew by 0.3% over the quarter and 0.7% year-on-year. Growth was driven mainly by domestic demand, particularly gross fixed capital formation, which contributed +0.3 points, and private consumption, which added +0.1. In contrast, changes in inventories dragged growth down by 0.3 points. Much of the strength came from investment in machinery and construction. Like other major eurozone economies, Italy had a relatively solid start to 2025, with exports benefiting marginally from U.S. frontloading ahead of potential tariffs.

Italy's automotive sector has shown signs of growth despite broader challenges. Stellantis N.V., which includes Fiat, reported a 14.0% drop in Q1 2025 revenues compared to the same period last year, largely due to lower volumes. However, the company gained ground in market presence, with its market share in the EU rising by 1.9 percentage points from Q4 2024. Fiat's performance in the U.S. was particularly strong, with brand sales up 25.0% year-on-year and the electric 500e up 109.0%. Still, this optimism may be short lived, as the US Driven growth might not be sustained in light of the looming 30.0% tariff, which stands to be a major blow for the Italian, and European automotive sector as a whole. This can affect volumes negatively, exerting a downwards pressure on contract rates.

Germany

In Germany, industrial production rose by 1.2% month-on-month in May, bouncing back from a 1.6% drop in April, and was up 1% year-on-year. Domestic demand is showing signs of life. According to Destatis, new domestic orders for the manufacture of computers, electronics, and optical products surged by 20.5% year-on-year. Pharmaceuticals were also up, rising 7.7% over the same period. Quarter-on-quarter, new orders for motor vehicles, trailers, and semi-trailers grew by 0.9%, while orders for other transport equipment climbed 8.2%. This growth suggests a cautiously improving outlook for German industry, led by some key high-tech and transport sectors.

Retail data supports the upward trend in contract rates. German retail is showing stronger momentum than expected.
According to unadjusted figures from Destatis, overall retail trade rose by 9.7% quarter on quarter and 5.1% year on year. The retail sale of fruit and vegetables jumped by 46.6% over the quarter, though it remains down 3.8% compared to last year. E-commerce continues to expand, with online retail sales up 15.1% quarter on quarter and 13.9% year on year. Clothing sales also performed well, rising 15.2% over the quarter and 2.1% year on year.

German domestic contract rates are stable to slightly rising, as the strength in retail and the recovery in the manufacturing sectors has started exerting upwards pressure on rates, as anticipated demand in the medium to long term is looking up. However rates are not surging, but this is likely the result of the slower pace of price change seen in contract rates, which adjust more slowly than spot rates.

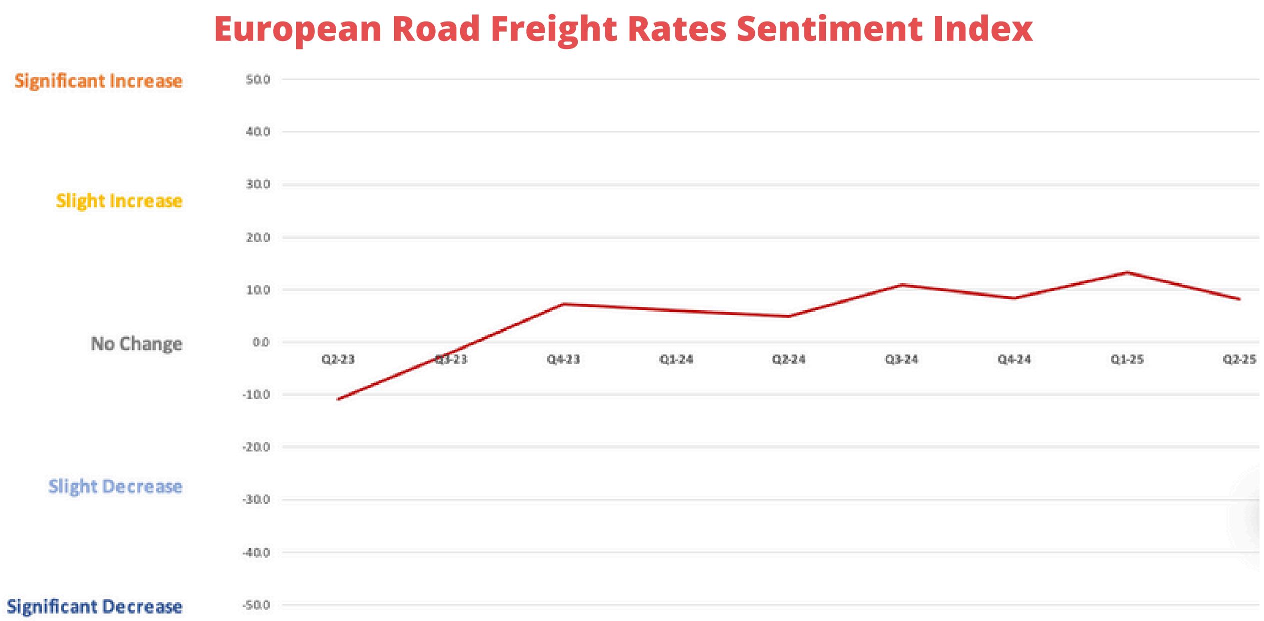
Outlook

Looking ahead to the third quarter, both Italy and Germany are likely to experience a deceleration in economic momentum amid growing uncertainty. In Italy, the strong start to the year, driven by domestic demand and solid investment in machinery and construction, may soften as businesses brace for the fallout of potential U.S. tariffs, which could have a downward impact on rates.

In Germany, while industrial production showed signs of recovery in May and domestic orders in key sectors like electronics and pharmaceuticals remain positive, export growth is expected to slow. The combined pressure of rising trade barriers and weakening business sentiment is likely to weigh on industrial investment and external demand in both countries, dampening demand side pressure on rates as the quarter progresses.

06.

EUROPEAN ROAD FREIGHT RATES SENTIMENT INDEX



Source: Transport Intelligence

The Ti x Upply x IRU European Road Freight Sentiment Index fell 5.0 index points to 8.2 in Q2-25, meaning the overall expectation for European Road Freight rates in Q2-25 was a slight increase.

When looking at the detail, we can see that there was a large consensus around rates. A "slight increase" was the most common answer, making up 42.2% of respondents. In contrast, a substantial increase in rates was the least common answer, making up just 1.2% of responses.

Rates remaining flat was the second most common answer, making up 34.8% of responses. From this, we can see that the market expects less volatile rates but a steady trend upwards or no change at all.

METHODOLOGY

The rates are the result of Upply's own econometric and statistical modelling, which is based on the analysis of more than 750 million prices.

Upply provides Truck Load (LTL & FTL) weekly rates estimations based on observed transactions for each major European trade lanes, associated with a confidence index.

These rates are computed from Upply's key partners and users data.

To complete the analysis presented here, Ti selected a representative sample of the largest European road freight corridors by volume.

Ti then used the median rates provided by Upply on each corridor, averaging weekly rates over each quarter. Ti's team of senior analysts provide additional insight into the drivers and trends behind price movements with support from Upply.

Note that data is subject to re-statements and that new lane samples can be chosen from one quarter to the next.

ABOUT US

Ti is one of the world's leading providers of expert research and analysis dedicated to the global logistics industry. Utilising the expertise of professionals with many years of experience in the mail, express and logistics industries, Transport Intelligence has developed a range of market leading web-based products, reports, profiles and services used by many of the world's leading logistics suppliers, consultancies, banks and users of logistics.

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Upply, tech platform revolutionizing freight transport management. Its mission: to simplify the analysis, decision-making, and execution of freight operations through data and tech.

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Based in Paris, the company now brings together more than 60 dedicated team members, committed to making freight transport more accessible, transparent, and efficient for thousands of industry players.

For further information, please contact customer.service@upply.com.
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IRU, the world road transport organisation, has more than 75 years of on-the-ground experience via a network of 175 members from around the world. We represent the entire industry – bus, coach, truck and taxi – driving the sustainable mobility of people and goods.

IRU provides strategic and operational services to mobility and logistics companies, ranging from advocacy representation at European and international levels; trade and transit tools; driver skills assessments, training, certification and monitoring; comprehensive research and practical data tools; and workshops and roundtables on key issues that bring all industry stakeholders together. For more information, please contact information@iru.org
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THANK YOU.

WE LOOK FORWARD TO SEEING YOU AGAIN IN NOVEMBER FOR OUR NEXT EUROPEAN ROAD FREIGHT RATE DEVELOPMENT BENCHMARK

Q3 2025.

WE STAY IN TOUCH.