



Industry trends – Transportation and logistics

Solid sector growth expected, but US tariffs cast a shadow

February 2025



Global overview

Growth supported by manufacturing expansion and higher consumer demand

In 2025 we expect global transportation and logistics output to grow by 4.1%, followed by a 3.7% increase in 2026. Growth is supported by higher business investments and manufacturing in the Americas, Asia Pacific and Europe. Additionally, demand for trade-intensive consumer durables should increase due to higher household purchasing power and lower financing costs. Oil and fuel prices fell at the end of 2024, and we expect a mild decrease of average prices in 2025 and in 2026. This should ease cost pressures for transport and logistic businesses.

Maritime shipping costs remain elevated

Among subsectors, land transport output is forecast to grow 3.7% this year, and both air and water transport are expected to increase by about 6% (see chart overleaf). Prices for maritime shipping along key routes have substantially increased due to geopolitical challenges such as the Red Sea Crisis. Both rerouting around Africa and higher insurance premiums have increased operating costs for the industry. At the same time the air freight segment is

benefitting from high demand for time-sensitive delivery of goods and growing ecommerce.

The potential impact of US import tariffs on sector growth

In order to improve their resilience in a more adverse geopolitical environment, many businesses that once focused on just-in-time production have started to keep greater levels of inventory as a safety buffer. This should lead to increasing demand for warehouse storage facilities in order to store inventory and to avoid delays.

The new US administration initiated tariffs of 25% on imports from Mexico and Canada, but granted both a 30-days reprieve on February 3rd. On China, additional tariffs of 10% have been imposed, and 25% tariffs on all US steel and aluminium imports. Additionally, President Trump has tasked his economic team with devising plans for reciprocal tariffs on every country that taxes US imports. It is currently difficult to estimate the extent to which US tariff policy will affect the performance of the global transport industry in 2025 and 2026. But it can be said that any massive tariff increases by the US and subsequent retaliatory measures by the countries affected could severely impact sector growth, in particular sea transport.

Industry performance forecast					
Europe		Asia and Oceania		Americas	
Austria	Netherlands	Australia	Phillipines	Brazil	Excellent The credit risk situation in the sector is strong / business performance in the sector is strong compared to its long-term trend. Good The credit risk situation in the sector is benign / business performance in the sector is above its long-term trend. Fair The credit risk situation in the sector is average / business performance in the sector is stable. Poor The credit risk in the sector is relatively high / business performance in the sector is below its long-term trend. Bleak The credit risk in the sector is poor / business performance in the sector is weak compared to its long-term trend.
Belgium	Poland	China	Singapore	Canada	
Czech Republic	Portugal	Hong Kong	South Korea	Mexico	
Denmark	Slovakia	India	Taiwan	USA	
France	Spain	Indonesia	Thailand		
Germany	Sweden	Japan	UAE		
Hungary	Switzerland	Malaysia	Vietnam		
Ireland	Turkey	New Zealand			
Italy	UK				



Industry trends

Transportation and logistics

Output per region	2023	2024*	2025*	2026*
Global	4.3	3.9	4.1	3.7
Americas	2.0	2.2	3.2	3.3
Asia Pacific	8.8	6.7	5.1	4.4
Europe	0.5	1.8	3.0	2.7

Year-on-year, % change /*forecast
Source: Oxford Economics

Output per subsector	2023	2024*	2025*	2026*
Land transport	3.7	4.6	3.7	3.5
Water transport	3.6	2.8	6.4	4.7
Air transport	22.5	7.8	5.9	4.5
Warehousing, support, courier, postal services	0.0	1.6	3.7	3.7

Year-on-year, % change /*forecast
Source: Oxford Economics

Strengths and growth drivers

Growth in global trade. Despite some reshoring, global trade is projected to continue growing, supporting demand for both freight and passenger transport in both the mid-term and long-term.

New technologies. Increasing investment in warehouse digitalisation, robotics, and data is expected to increase supply chain efficiency and reduce costs. Investment in smart tech will help transport businesses improve transparency and flexibility.

Growth in ecommerce and digitalisation. This will support demand for courier services and warehousing facilities.

Constraints and downside risks

Oil price volatility. High fuel prices negatively affect margins of transport and logistics businesses across all segments.

Sustainability. Growing demand for green transport will require significant investment in both the mid-term and long-term. This will create opportunities, but also pose a risk for companies unable or unwilling to adapt. If passed on to consumers, increased costs in the form of new regulations or carbon taxes are likely to negatively impact sector demand.

Geopolitical risks. The maritime subsector relies heavily on freedom of navigation. Disruptions could be caused by rising tensions or armed conflicts (e.g., in the Red Sea, the Taiwan strait or in the South China Sea).

Staff shortages and labour disputes. In some segments like road transport this could impact activity and growth, adding upwards pressure on labour costs.





Transportation and logistics outlook Americas

Transportation and logistics output	2023	2024*	2025*	2026*
Brazil	2.6	2.1	3.5	2.0
Canada	6.0	2.3	5.7	5.3
Mexico	3.4	5.2	3.2	3.0
USA	1.5	1.6	2.7	3.2

Year-on-year, % change /*forecast – Source: Oxford Economics

USA

Robust private consumption drives transport growth

We expect the US transportation and logistics industry to grow by 2.7% in 2025 and by 3.2% in 2026. Land and water transport output is expected to grow 2.4% and 4.9% respectively this year, and air transport is set to increase 4%. While transportation and logistics businesses benefit from decreasing energy costs, labour costs have increased. Any massive import tariff increases by the US and subsequent retaliatory measures are a potential downside risk, which could severely impact sector growth.

Private consumption in the US remains robust, growing by 2.9% annually in 2025 and 2026, supported by lower interest rates and higher wages. Solid household spending supports demand for shipping of durable and non-durable consumer goods. Business investment will increase with the expected extension of tax cuts by the new administration, boosting transport demand. In 2025 we anticipate an increase in imports as businesses try to purchase goods to reduce uncertainty and lock in lower prices before tariffs come into effect.

Trucks are the key transport mode for goods in the US. We expect a recovery in truck tonnage in 2025 after a rather disappointing performance in 2024 and in 2023, due to stronger consumer demand and ongoing retail sales growth. However, a restrictive immigration policy could exacerbate the existing labour shortage in the trucking segment, while tighter border controls would lead to more delays and rising costs. Tariffs of 25% on imports from Canada and Mexico would severely hit the subsector.

Compared to Europe, overseas trade with the US is less vulnerable to shipping disruptions in the Red Sea. That said, prices for container freight shipping from Asia to the US have increased, as longer ocean transits have resulted in container capacity issues. Massive tariffs on imports from overseas could severely affect maritime shipping.

In the mid-term, government investment in infrastructure improvement will benefit the sector by promoting greater supply chain efficiency, reducing costs, and stimulating demand for transportation and logistics services.

Industry performance forecast

- Brazil**
- Canada**
- Mexico**
- USA**

Excellent
The credit risk situation in the sector is strong / business performance in the sector is strong compared to its long-term trend.

Good
The credit risk situation in the sector is benign / business performance in the sector is above its long-term trend.

Fair
The credit risk situation in the sector is average / business performance in the sector is stable.

Poor
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Bleak
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Transportation and logistics outlook Asia Pacific

Transportation and logistics output	2023	2024*	2025*	2026*
China	7.8	6.6	5.0	4.8
India	5.5	5.4	11.1	7.5
Japan	10.6	7.1	2.9	1.5
Australia	7.4	2.4	2.4	3.1

Year-on-year, % change /*forecast – Source: Oxford Economics

China

Healthy growth outlook, but US tariffs pose a downside risk

Chinese transportation and logistics output is forecast to grow by 5.0% in 2025 and by 4.8% in 2026. This is mainly due to ongoing global demand for Chinese goods. For the Chinese transportation sector, the effect of the additional 10% US tariffs on Chinese exports and the corresponding retaliatory measures should be rather small. However, any imposition of massive import tariffs (more than 30%) by the US would curtail transportation and logistics gross value added growth in the medium-term.

We expect the sector will benefit from government support for businesses and investment in infrastructure (domestic and international) in the coming years. Those investments show China’s ambition to ensure that it remains a major hub in global supply chains and logistics. The ongoing expansion of ecommerce is increasing demand for courier and storage facilities. Higher GDP per capita and rising household incomes will sustain demand for domestic transport services.



India

Expanding manufacturing capacity supports sector growth

Indian transportation and logistics output is forecast to grow by 11.1% in 2025 and by 7.5% in 2026. The government has introduced initiatives try to boost the manufacturing sector by improving the business environment and enhancing logistics infrastructure. This includes the “Make in India” campaign which promotes the country as a manufacturing hub for both domestic and international companies. Expanded manufacturing capacity should support higher freight volumes in the mid-term. India’s growing middle class is spurring demand for consumer goods, supporting land, sea and air transport. However, even more investment in transport infrastructure is required to overcome existing inefficiencies and bottlenecks.

Japan

Passenger transport segment supports growth

We expect Japan’s transportation and logistics output to grow by 2.9% in 2025 and 2.1% in 2026. The economy is forecast to grow by only 1.2% in 2025 and 0.7% next year, and exports will likely stagnate for the time being as weak demand from the EU counteracts the benefits from chip cycle upticks. The passenger transport segment should benefit from an increased tourism inflow. However, the whole sector is facing significant labour shortages.

Industry performance forecast

	Australia
	China
	Hong Kong
	India
	Indonesia
	Japan
	Malaysia
	New Zealand
	Phillippines
	Singapore
	South Korea
	Taiwan
	Thailand
	UAE
	Vietnam
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Transportation and logistics outlook Europe

Transportation and logistics output	2023	2024*	2025*	2026*
France	-3.9	0.2	0.4	1.4
Germany	1.3	1.0	1.1	0.8
Italy	-2.1	-0.2	2.2	0.9
United Kingdom	-1.2	5.1	2.5	2.3

Year-on-year, % change /*forecast – Source: Oxford Economics

Eurozone

2025 growth supported by economic recovery in the region

After a 1.2% increase last year we expect transportation and logistics output in the eurozone to grow by 2.0% in 2025, supported by a (modest) economic recovery of the region. Household consumption growth will accelerate, which should support demand for shipping of durable and non-durable consumer goods. However, while eurozone export growth is projected to improve in 2025-2026, it remains modest by historical standards, as manufacturers face ongoing competitiveness issues (in particular with China). A deterioration of trade relations with the US remains a potential downside risk.

Germany

Subdued growth in 2025 and 2026
























In Germany, the largest eurozone market, we expect transport and logistics output to grow by only 1.1% in 2025 and 0.8% in 2026. This subdued performance is in line with a feeble 0.4% GDP expansion forecast for Germany this year, accompanied by another industrial production decline and only modest private consumption growth. The German transport and logistics sector will continue to struggle with staff shortages and fierce competition from Central and Eastern Europe. This mainly affects the road freight transport subsector. Due to a very competitive environment and thin margins credit risk remains high across the German transport and logistics sector.

United Kingdom

Insolvency risk remains high in 2025

We expect UK transport and logistics output to grow by 2.5% this year and by 2.3% in 2026. However, ongoing staff shortages hamper sectoral activity and growth. In the haulage sector, rising wages, vehicle replacement expenses, and potential fuel price increases continue to squeeze margins. Sustainability efforts will remain a priority in 2025, with haulage companies transitioning to electric vehicles and warehousing businesses focusing on reducing emissions. These shifts require significant upfront investment, which will further stretch resources in the coming months. Cybersecurity remains a critical issue for haulage firms, as attacks have highlighted vulnerabilities in the sector. Due to tight margins and fierce competition insolvency risks will remain high across the British transport sector.



Industry performance forecast	
	Austria
	Belgium
	Czech Republic
	Denmark
	France
	Germany
	Hungary
	Ireland
	Italy
	Netherlands
	Poland
	Portugal
	Slovakia
	Spain
	Sweden
	Switzerland
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