

# Transportation and Logistics Industry Trends February 2025

## Global transportation and logistics: 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.

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 any massive tariff increases by the US and subsequent retaliatory measures by the countries affected could severely impact sector growth, in particular sea transport.

## 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.

Private consumption in the US remains robust, supporting demand for shipping of durable and non-durable consumer goods. Containers heading to US ports are increasing after a rather disappointing 2023.

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.

Any massive import tariff increases by the US and subsequent retaliatory measures are a potential downside risk, which could severely impact sector growth. Tariffs of 25% on imports from Canada and Mexico would severely hit the trucking subsector.

## 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.

## 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.

India's growing middle class is spurring demand for consumer goods, supporting land, sea and air transport.

## 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 passenger transport segment should benefit from an increased tourism inflow. However, the whole sector is facing significant labour shortages.

## 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. 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 GDP expansion forecast for Germany this year, accompanied by another industrial production decline and only modest private consumption growth.

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. 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.