Atradius
Managing risk, enabling trade

Industry trends – Transportation and logistics

Industry growth slows as global trade applies the brakes

December 2025

Global overview

A stagnation in global trade growth will affect 2026 demand for transport/logistics

At the beginning of this year, we anticipated global transportation and logistics output to increase by 4.3% in 2025 and by 3.7% in 2026. However, we have now revised this forecast downwards, to 2.5% and 2.4% respectively, as we expect the pace of trade growth to ease significantly in the last months of 2025 and through 2026. This contrasts with the earlier months of the year where front-loading ahead of trade war restrictions directly boosted global trade growth, while AI-related investment increased the trade in goods related to data centre infrastructure and other AI equipment.

Tariffs are increasingly weighing on trade activity, and uncertainty drags on companies' investments. This has an impact on all stages of the goods economy. Less production and transport of raw and intermediate goods for manufacturing and less shipment of goods from factories to consumers will inevitably spill over to the freight-focused transport sector segments, like trucking and ocean freight. Freight rates have weakened, particularly on transpacific routes. US imports from China have declined following tariffs and earlier trade surges. Global container demand in 2026 is facing uncertainties.

Regarding prices, decreasing or stagnating demand are leading to lower freight costs. That said, oil and fuel prices fell in recent months, and we expect a further decrease in oil prices in 2026. This should ease cost pressures for transport and logistic businesses.

In order to improve their supply chain resiliency, industries and businesses that have been focused on just-in-time production may keep greater levels of inventory as a safety buffer. As a result, we expect greater demand for warehouse storage facilities in order to store inventory, avoid delays, and reduce the impact of supply chain disruptions. At the same time the air freight segment is benefitting from high demand for time-sensitive delivery of goods and growing ecommerce.

Demand for passenger transport is remaining strong, despite the ongoing trade disputes. However, US demand for travel services overseas may see a larger-than-average decrease if rising inflation eats into disposable incomes.

Over the long term, we expect emerging markets in Asia Pacific, Africa, and South America to drive global transportation and logistics growth. This is particularly true for China and India, two of the world's most populous countries that are investing heavily in infrastructure and transport networks.

Industry performance forecast

Europe		Asia and Oceania		Americas
Austria	Netherlands	Australia	Phillippines	Brazil
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			

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

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Industry trends

Transportation and logistics output

Output per region	2024	2025*	2026*	2027*
Global	3.7	2.5	2.4	3.4
Americas	2.3	-0.3	1.2	3.6
Asia Pacific	6.2	4.5	3.2	3.9
Europe	1.4	1.8	1.7	1.9

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

Output per subsector	2024	2025*	2026*	2027*
Land transport	4.4	2.6	2.3	3.2
Water transport	2.3	2.5	2.4	3.2
Air transport	7.3	4.0	3.0	4.0
Warehousing, support, courier, postal services	1.4	1.8	2.5	3.5

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

Strengths and growth drivers

Growth in global trade. Despite the current tariff issues, global trade is projected to continue growing in the coming years, supporting demand for freight and passenger transport in 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. Demand for green transport requires significant investment in both the mid-term and long-term. This will create opportunities, but also poses 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	2024	2025*	2026*	2027*
Brazil	1.9	0.4	1.8	2.5
Canada	3.9	-1.7	-0.2	3.8
Mexico	4.0	-0.8	2.0	2.8
USA	1.8	-0.6	1.0	4.0

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

Industry performance forecast
Brazil
Canada
Mexico
USA

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USA

More challenges ahead

The US transportation and logistics industry is navigating a complex environment. Consumer confidence is currently declining, and the labour market appears to be cooling off. Both could affect demand for shipping of durable and non-durable consumer goods. At the same time the sector faces significant challenges from trade distribution, labour shortages, and geopolitical instability. After growing 1.8% in 2024, we expect sector output to decrease by 0.6% in 2025, followed by a modest 1% rebound in 2026.

Tariff increases on US imports have reduced freight volumes especially on the transpacific routes from Asia to the US. The water transport segment is expected to contract by 4.7% this year and by 0.1% in 2026. A recent suspension of port fees between the US and China is providing temporary relief to shipowners and operators, reducing immediate cost and compliance uncertainty. However, the underlying geopolitical tensions and the precedent of using port charges as a strategic tool remain a downside risk.

Trucks are the key transport mode for goods in the US. Land transport is expected to grow only 0.3% in 2026 after a modest 0.4% increase this year. Weaker trade activity with Canada and Mexico is impacting trucking, which plays a vital role in cross-border trade under the USMCA framework. At the same time oversupply in trucking persists after Covid-era capacity expansion, constraining pricing and utilisation rates. Labour shortages are contributing to delays and rising cost, and the restrictive immigration policy could exacerbate this issue. The US trucking market is undergoing a difficult rebalancing, with smaller carriers exiting at an accelerating pace as volumes remain below seasonal expectations.

Air transport output is forecast to increase by 1.6% in 2026, mainly on the back of continuing growth of higher passenger volumes, while air freight is benefiting from increased demand for faster ecommerce delivery. Demand for air transport will be supported by logistics needs for time-sensitive goods, perishable goods and high-value, lightweight products. However, there is some downside risk, as Washington's decision to end the de minimis exception for all parcels entering the US has prompted several countries to suspend small package deliveries to the US, most of which are undertaken via air freight.

In the mid-term, government investment in infrastructure improvement should benefit the sector by promoting greater supply chain efficiency, reducing costs, and stimulating demand for transportation and logistics services. Additionally, sector growth will be supported by rising US energy exports and reshoring initiatives under the Trump administration.

Transportation and logistics outlook
Asia Pacific

Transportation and logistics outlook	2024	2025*	2026*	2027*
China	7.0	4.4	3.3	4.3
India	5.3	10.2	6.9	6.7
Japan	1.5	1.4	0.4	0.7
Australia	3.9	2.9	2.7	3.2

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

China

A robust growth outlook in the coming years

Chinese transportation and logistics output is forecast to grow by 4.4% in 2025 and by 3.3% in 2026, largely on the back of resilience in both industrial production and exports. So far, US tariffs have not meaningfully dented the overall trade balance, as Chinese exports to Asia, Africa and Europe have increased. Exports of high-tech green goods, for example, are surging all over emerging markets.

While export volumes to traditional partners like Europe and the US could face headwinds, China's ports remain among the world's busiest and are likely to sustain high output in the coming years. This is due to increasing trade with emerging markets and ongoing innovation in port logistics. Air cargo benefits from continued advancements in logistics, and digitalisation will enhance operational efficiency, supporting growth and resilience.

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. Road freight volumes are expected to show annual growth rates of more than 3% in the coming five years.

India

Expanding manufacturing capacity supports sector growth

Indian transportation and logistics output is forecast to grow by 6.9% in 2026 after a 10.2% increase in 2025. 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

Lower external demand weighs on growth

We expect Japan's transportation and logistics output to grow by 1.4% in 2025 and by 0.4% in 2026. While many of the production shutdowns related to safety test scandals in the automotive sector have largely been resolved, lower external demand due to US tariffs will affect Japan's key industries. Strength in semiconductor related production and exports will not be able to provide enough demand for transport services to compensate for weaknesses in other key sectors. However, demand for passenger transport remains relatively robust, supported by tourism inflow.

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 outlook	2024	2025*	2026*	2027*
France	0.5	0.3	0.5	1.0
Germany	1.6	2.5	0.3	0.9
Italy	-1.5	1.3	0.9	1.5
United Kingdom	4.3	1.9	1.4	2.0

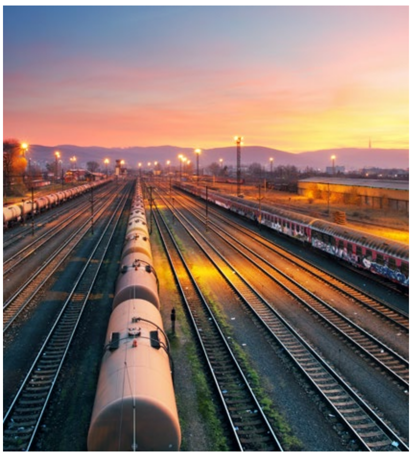
Year-on-year, % change /*forecast – Source: Oxford Economics

Eurozone

A protracted industrial recovery weighs on growth

After a 2.4% increase this year, we expect eurozone transportation and logistics output to grow by only 0.9% in 2026. The slowdown is mainly due to the region's protracted industrial recovery. Industrial production and transport demand surged in H1 of 2025 due to US companies putting in orders to front-run tariffs, and it only pulled back mildly in the second quarter. However, US tariffs and increasing Chinese competition have started to weigh on industrial output, trade and investment in the eurozone, which will deprive the transport sector of a key demand pillar over the next year.

We expect that over the coming two years transport and logistics demand will be mainly driven by services and household consumption. Consumers are increasingly benefitting from lower inflation and rising wages, which increases their willingness to accelerate spending on goods and services, both of which will benefit the consumer-related segment of the transport and logistics sector. A substantial upturn in transport and logistics output will have to wait until late 2026, early 2027, when the effects of increased defence and infrastructure spending, mostly in Germany, should help to stimulate industrial demand in the eurozone.



Germany

Subdued growth in 2026

In Germany, the largest eurozone market, we expect transport and logistics output to grow by only 0.3% in 2026. The main reason for this is the ongoing subdued industrial performance of the country. This dampens demand for services to move raw materials to factories, intermediate inputs between factories, and final products out of factories to retailers/wholesalers or out of the country for international shipping. At the same time the German transport and logistics sector continues 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

Credit risk remains high next year

We expect UK transport and logistics output to grow by 1.4% in 2026. However, ongoing staff shortages hamper sectoral activity and growth. In the haulage sector, rising wages, vehicle replacement expenses, and fuel prices are squeezing margins.

Sustainability efforts will remain a priority, 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, the credit risks will remain high across the British transport sector.

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