

Trucking Industry Market Analysis Summary

The market analysis will serve to examine the following aspects:

- The share of trucking in the total freight activity market
- The U.S., European and Chinese trucking market

THE U.S. TRUCKING INDUSTRY

The total 2014 trucking industry revenue was **\$700.4 billion**. Trucks in America are responsible for the majority of freight movement over land. According to the U.S Department of Transportation¹, 71.3% of all commercial freights are delivered by trucks.

Mode of transportation	Value		Tons		Average miles per shipment
	(million \$)	Percent of total	(thousands)	Percent of total	
Truck	8,335,789	71.3	8,778,713	70.0	206
For-hire truck	4,955,700	42.4	4,075,136	32.5	599
Private truck	3,380,090	28.9	4,703,576	37.5	57
Rail	436,420	3.7	1,861,307	14.8	728
Water	114,905	1.0	403,639	3.2	520
Shallow draft	91,004	0.8	343,307	2.7	144
Great Lakes	S	S	17,792	0.1	657
Deep draft	23,058	0.2	42,540	0.3	923
Air (includes truck and air)	252,276	2.2	3,611	-	1,304
Pipeline (6)	399,646	3.4	650,859	5.2	S

According to the data, the value of commodities delivered by trucks in the U.S. is **\$8,335 billion**.

According to the ATA², in the U.S. there are:

- ☒ **26.4 million** trucks registered that are used for business purposes
- ☒ **2.4 million** Class 8 trucks that are used for business purposes
- ☒ **5.7 million** registered commercial trailers

The following table represents major industries where trucks are the main mean of transportation:

Industry	Trucks' Share in Transportation
Live Animal & Fish	95%
Cereal Grains	90%
Animal Feed	82%
Meat, Fish and Seafood	96%

¹ http://www.rita.dot.gov/bts/sites/rita.dot.gov.bts/files/publications/commodity_flow_survey/final_tables_december_2009/html/table_07.html

² http://www.trucking.org/News_and_Information_Reports_Industry_Data.aspx

Alcoholic Beverages	91%
Tobacco Products	96%
Monumental or building stone	95%
Natural Sands	83%
Pharmaceutical products	67%
Wood Products	91%

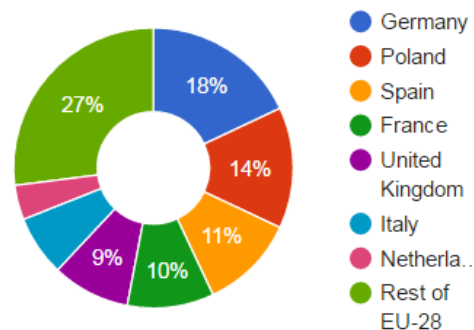
Market Segmentation

As of May 2015, over 90% of players in the United States long-distance freight trucking industry are owner-operators. Therefore, even the top corporate operators only hold a small share of the total market. According to the industry market research firm IBISWorld³, J.B. Hunt Transport Services holds an estimated 2.5% market share, YRC Worldwide holds 1.8%, FedEx holds 1.6%, United Parcel Service of America owns 1.5%, and Con-way holds 1.4%

There are approximately 1.2 million trucking companies in the U.S., of which 97% operate 20 or fewer trucks while 90% operate 6 or fewer trucks. This data points on a **highly fragmented market**.

THE EUROPEAN TRUCKING INDUSTRY

Of the EU's 28 member states, most of the road freight is hauled in relatively few countries. As shown in the graph below⁴, the seven countries together – Germany, Poland, Spain, France, United Kingdom, Italy, and the Netherlands – represent nearly three-quarters of the EU's road freight transport in terms of total tonne-kilometres.



Three quarters of EU freight is transported over roads. When looking at inland freight transport, freight by road (74.9 %) was more than four times as high as the share transported by rail (18.2 %). When looking at road freight specifically 13 million heavy duty vehicles (HDVs) were on EU roads in 2015.

According to ACEA⁵:

About 90% of the value of all goods in Europe is transported by truck

³ <http://www.ibisworld.com/industry/default.aspx?indid=1150>

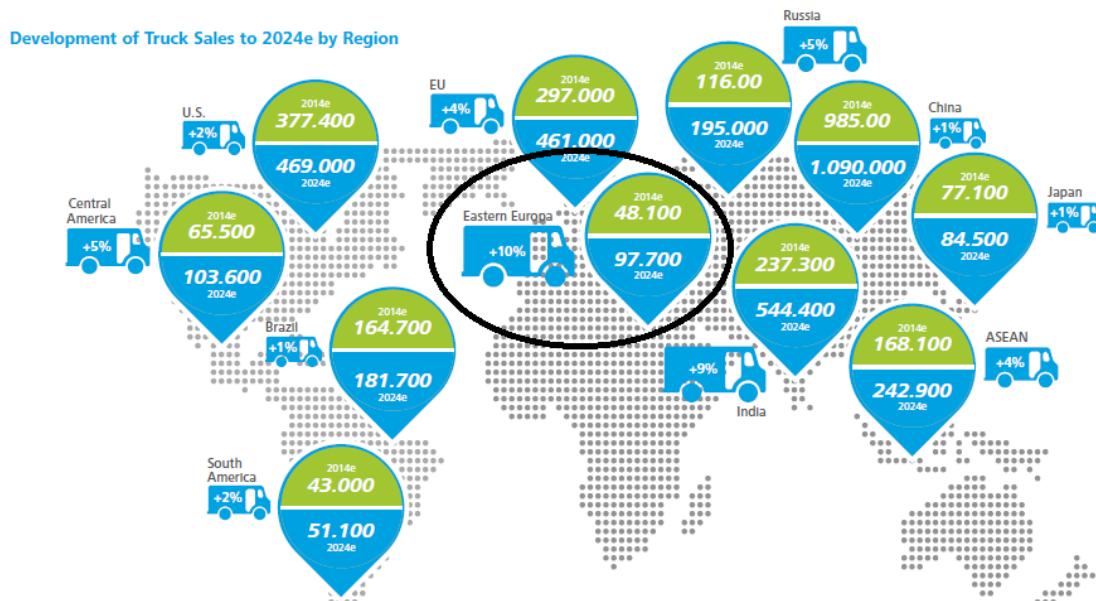
⁴ <http://inconvenienttruck.eu/the-economics-of-trucks-industry/>

⁵ <http://www.acea.be/automobile-industry/trucks-vans-buses>

- ☒ 85% of all goods carried by trucks are transported over short distances of less than 150 km

Eastern Europe

The trucking market in Eastern Europe is expected to grow at a rate of 7% every year until 2024 while the average global rate is 3.1%, according to a recent study⁶. From 48K trucks sold in 2014, it is expected that 97.7K trucks will be sold in 2024, a 100% increase.

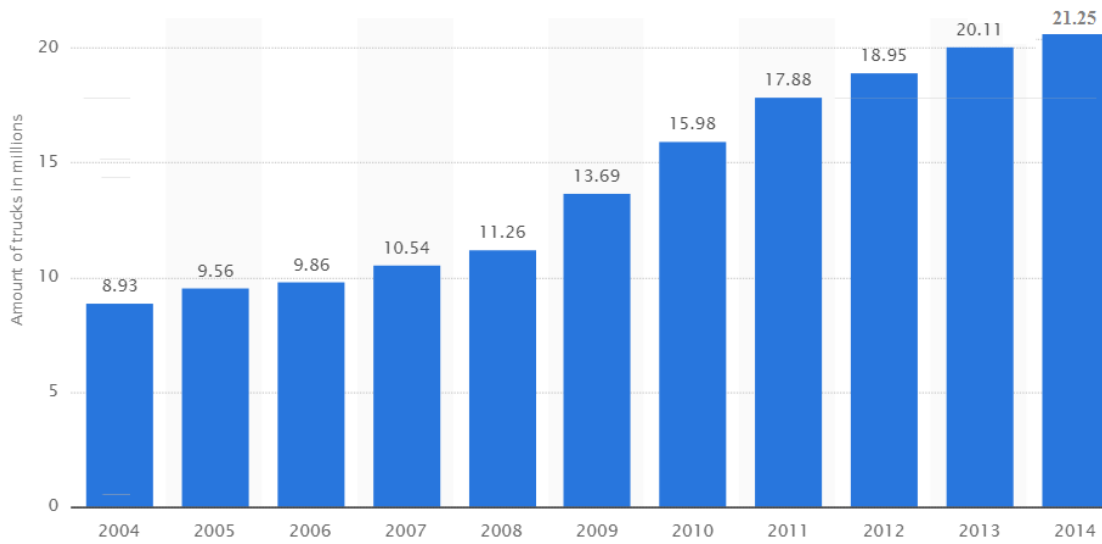


THE CHINESE TRUCKING INDUSTRY

According to Statista, in 2014 there were 21.25 million trucks in China which represents almost 100% growth since 2008.

⁶ <https://www2.deloitte.com/content/dam/Deloitte/tr/Documents/process-and-operations/truck-studie-2014-s.pdf>

Amount of trucks in China from 2004 to 2014 (in millions)



The Guangdong region has the highest number of trucks with 1.8M, followed by Shandong (1.75M), Henan (1.65M) and Hebar (1.43M).

Number of trucks in China in 2014, by region

