North American Automotive Logistics Market Report 2025-2035

Navigating market uncertainty within a highly fragmented industry

Automotive LOGISTICS

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1. Executive summary

Strength Despite an array of internal and external headwinds, the North American automotive logistics industry remains a robust, resilient and growing industry. With a market value of $64.53 billion in 2025, the sector is expected to grow with a CAGR of 3.0% to reach $86.90 billion by 2035.

Consumers The automotive logistics market is entirely contingent upon a strong customer base that has the consumer confidence to purchase, finance, or lease new vehicles. To that end, despite geopolitical unrest, macroeconomic clouds on the horizon, relatively high interest rates, and sticky inflation, consumer sentiment is robust and there is still healthy demand for new vehicles underpinning the outlook for the automotive logistics market.

Uncertainty Politically, we are in a 'super election' period. Whilst the US election in November 2024 dominates the outlook, Mexico re-elected the Morena party with a large majority in June 2024, with uncertainty around how this may affect trade policy, and Canada's election is likely to take place during 2025. All industry stakeholders are questioning what this might mean for trade, protectionism, and the IRA policy - would it be rolled back if that is even legally possible? And what of Mexico, and the green agenda - how could this impact domestic vs. foreign brands?

Headwinds Considerable challenges remain across automotive logistics, with freight rate volatility, overcapacity in trucking, but capacity constraints particularly in finished vehicle Ro-Ro/PCTC, disruptions from infrastructure events (Baltimore bridge collapse), the potential US East Coast port strikes, and also geopolitical events (Suez Canal) and weather events (drought in Panama Canal). These headwinds often require nimble, flexible, resilient approaches to re-routing, using different modes, cooperating and collaborating with OEMs, LSPs and other stakeholders across the value chain.

Fragmentation The automotive logistics industry continues to face many structural problems, which are largely rooted in much of the sector being overly fragmented. This shapes and characterises many of the challenges the industry faces: slim profit margins, a chronic lack of investment in capacity, digitalisation and modernisation, and perhaps most importantly, difficulty in investing for the long-term green transition towards a zero-carbon future.

Resilience The scars of the Covid-19 crisis still remain, and the lessons are still being learnt. For OEMs, tier suppliers and automotive logistics providers alike, resilience remains at the top of the agenda. All stakeholders are asking themselves: how can they control their destiny? How can they better respond to the semiconductor shortages? How can they manage the rail capacity crisis? What about Ro-Ro/PCTC shortages?

Tools There are a wide range of tools that industry stakeholders can deploy to address these challenges. The most obvious is digitalisation to achieve visibility and enhance and optimise network design. Risk sensing and supply chain management are also tools that come into supply chain planning and risk management. For example, awareness around potential strikes, weather events, etc. Geopolitical understanding, awareness and localisation can also be regarded as a tool. Long-term partnerships, collaboration, and cooperation are also tools. Furthermore, nearshoring, regionalisation, and localisation can also be included in the mix of deployable tools.

Investment Nonetheless uncertainty around future volumes, policy and business continuity all hinder investment and long-term planning. This is particularly so when trying to address major industry issues of visibility, digitalisation & sustainability.

Table 1.1 North American Automotive inbound logistics trends

Short-term trends
• Supply chain planning to better manage parts inventory
• Increasing complexity is a challenge
• Cost reduction / cost pressures
• Normalising container shipping freight rates
• Visibility, transparency, and digitalisation - risk-sensing tools
• Flexibility in logistics
• Labour shortages
• Road freight recession
• Industry consolidation
• Unionisation and wage increases
Medium to longer-term trends
• Inflation Reduction Act (IRA)
• Adjusting to large-scale electrification & battery supply chain investments
• Regionalisation/localisation
• Sustainable transport modes
• Longer-term relationships and contracts
• Mexico as a growth opportunity

Source: Automotive Logistics

Opportunities Challenges around investing in digitalisation, improving capacity and transitioning to sustainable modes can be turned into opportunities, by re-framing sustainability as a competitive advantage to exploit. The challenges also offer potential partnerships and opportunities in developing green logistics services, technologies and infrastructure, plus much-needed collaboration essential for achieving transparency and visibility across automotive logistics.

1.1 Methodology

North American automotive logistics market definition

The market definition of North America in this report refers to the United States, Canada and Mexico. The market definition does not generally include countries in Central America or the Caribbean islands, although revenue estimates from some logistics companies may sometimes include services in these and other smaller countries in the wider North American region.

Our market definition refers to revenues derived from automotive logistics services within North America and surrounding waters only. The international nature of logistics means that some inbound components and finished vehicles transported outside of North America have a proportion of their journey within North America. However, we are not including the global ocean container or Ro-Ro section of those routes. In most cases, company annual reports already account for this regional segmentation, but where that is not the case, we have tried to account for that by estimating the percentage of operations occurring within North America.

Our market definition focuses upon logistics transport modes (road, rail, sea and air) and while there are inevitably some areas of overlap, our definition does not generally include revenues for port services, warehousing, packaging, or in-plant logistics.

North America automotive logistics market sizing: To quantify and evaluate the overall market sizing and subsegments, we used a blended methodology that comprised a bottom-up calculation combined with a top-down approach to align the market sizing and validate with other industry estimates.

However, we acknowledge the limitations of any methodology and that market sizings are estimates based on our reasonable assumptions, and we welcome clarification if any more definitive data can be provided.

North America automotive logistics company market share: We used a mixed methodology to calculate the revenues of each company or group deriving from North American automotive logistics. This involved a wide range of sources including company annual reports, press releases, one-on-one interviews, news reports, and estimates made by extrapolating from company statements of capacity and volumes moved, for example by TEU or FVL volumes. Please note that these are our independent estimates based on reasonable assumptions and we welcome clarification if more definitive data can be provided.

In terms of logistics revenue assumptions, we are referring to the gross revenues that a logistics provider receives to provide a logistics service. In practice, the logistics provider may provide this service in-house or operate in some cases as a lead logistics provider (LLP) or fourth-party logistics provider (4PL). That means they purchase specific logistics services on behalf of an OEM or tier supplier from a wide range of carriers or third-party logistics providers (3PLs). We are not separately quantifying the amount that is ‘passing through’ to other providers. In those examples, the LLP's net revenue for delivering a managed logistics service may only be a small share of the gross revenues. However, we believe that the gross revenue figure is important because the company that is awarded this overall revenue controls how the revenue is spent and allocated in-house or to a 3PL. Company market share data is calculated retrospectively upon the latest available official company data and financial statements, which in this case are from publicly accessible 2023 annual reports, where currently available.

Table 1.2 North American Automotive outbound FVL trends

Short-term trends
• Supply chain planning to optimise FVL inventory levels
• Increasing complexity is a challenge
• Cost reduction / cost pressures
• FVL capacity constraints due to Ro-Ro shortages
• Uncertainty on market outlook
• OEMs chartering their own truck fleets
• Increase in containerised car deliveries
• Labour shortages
• Data sharing / democratisation
• Real-time visibility, digitalisation, and improving ETA accuracy
• FVL has lagged behind in network planning and digitalisation
• Building more capacity and resilience into the FVL network
• FVL developing more holistic network design uniting logistic teams into one
• Developing new longer-term contracts, partnerships, and relationships across FVL
• Larger / heavier vehicles
• FVL industry consolidation
Medium to longer-term trends
• Electrification and need for safety and charging standards, plus weights and dimensions changes
• Sustainable transport modes
• Trucking / road based FVL remains highly fragmented
• Shift to longer-term contracts, partnerships, and relationships
• Increasing Chinese import volumes
• Mexico as a growth opportunity

Source: Automotive Logistics

2. North American automotive logistics market forecast 2025-2035

2.1 North American automotive logistics market analysis

The North American automotive logistics industry remains a robust, resilient and growing industry. With a market value of $64.53 billion in 2025 the sector is expected to grow with a CAGR of 3.0%, reaching $86.90 billion by 2035. See **Figure 2.1**.

Macroeconomic fundamentals

The macroeconomic environment is a primary factor influencing both the North American automotive industry and, by extension, the automotive logistics industry that supports it.

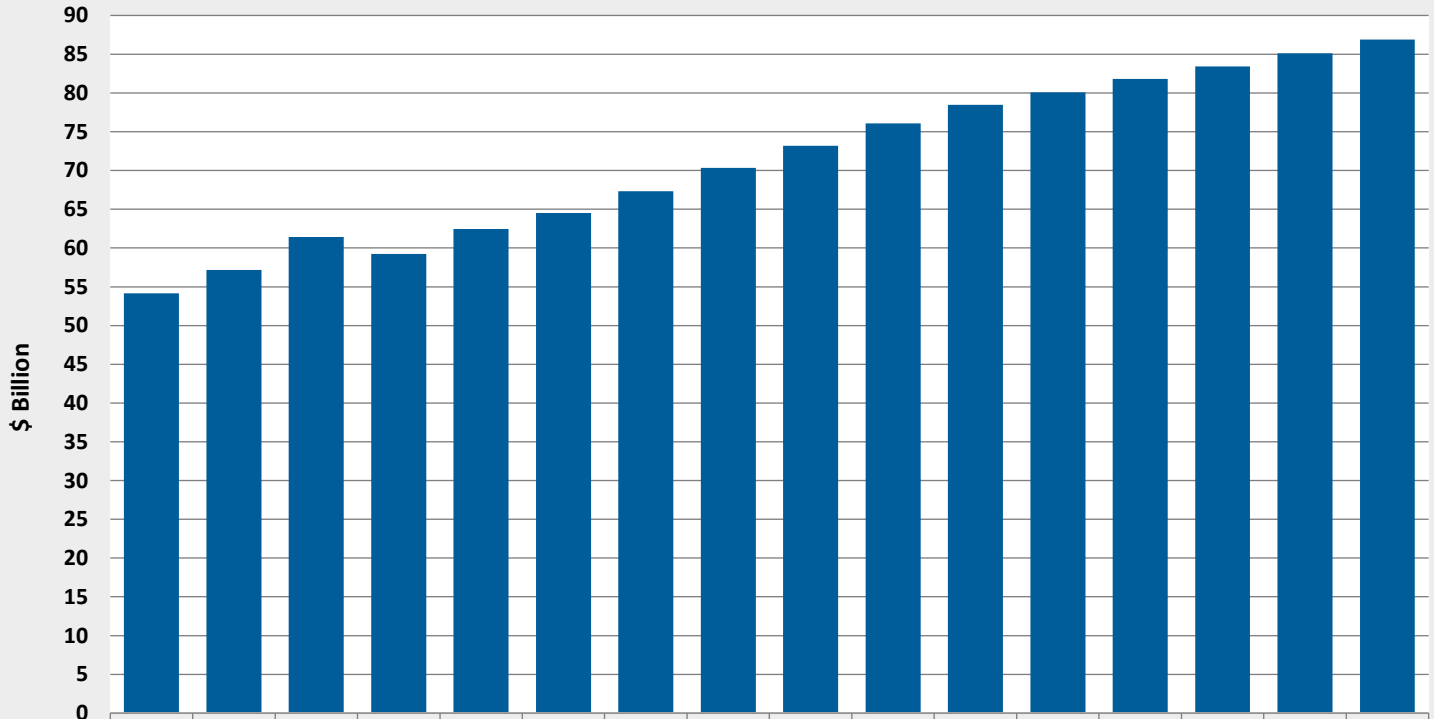
2.2 Demand side

The performance of the automotive logistics market is intrinsically tied to the strength of consumer confidence in purchasing, financing, or leasing new vehicles. Geopolitical disruption, macroeconomic uncertainties, relatively high interest rates, and persistent inflation are all influencing consumer sentiment. Currently, high interest rates and higher vehicle prices are tempering demand, despite a slight reduction in vehicle prices due to high inventories and subsequent discounting. However, inflation appears to be easing, which may lead to interest rate cuts in H2 of 2024, positively affecting disposable incomes and, more directly, auto loan affordability. Furthermore, low vehicle lease volumes in 2021 and 2022 have resulted in fewer customers returning to replace their leased vehicle. Despite these demand-side challenges, consumer sentiment remains resilient and demand for new vehicles remains solid, unpinning the outlook for the automotive logistics market. Lower interest rates, OEM and dealer incentives along with more competitively priced EVs, are expected to stimulate further market growth.

2.3 Supply side

The North American automotive industry continues to grapple with overcapacity, producing more vehicles than are being sold. This has led to rising inventories and increasing discounting.

Figure 2.1 North American automotive logistics market forecast 2025-2035 ($bn)



	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
North America	54.16	57.16	61.40	59.23	62.47	64.53	67.33	70.34	73.20	76.06	78.47	80.07	81.81	83.43	85.13	86.90

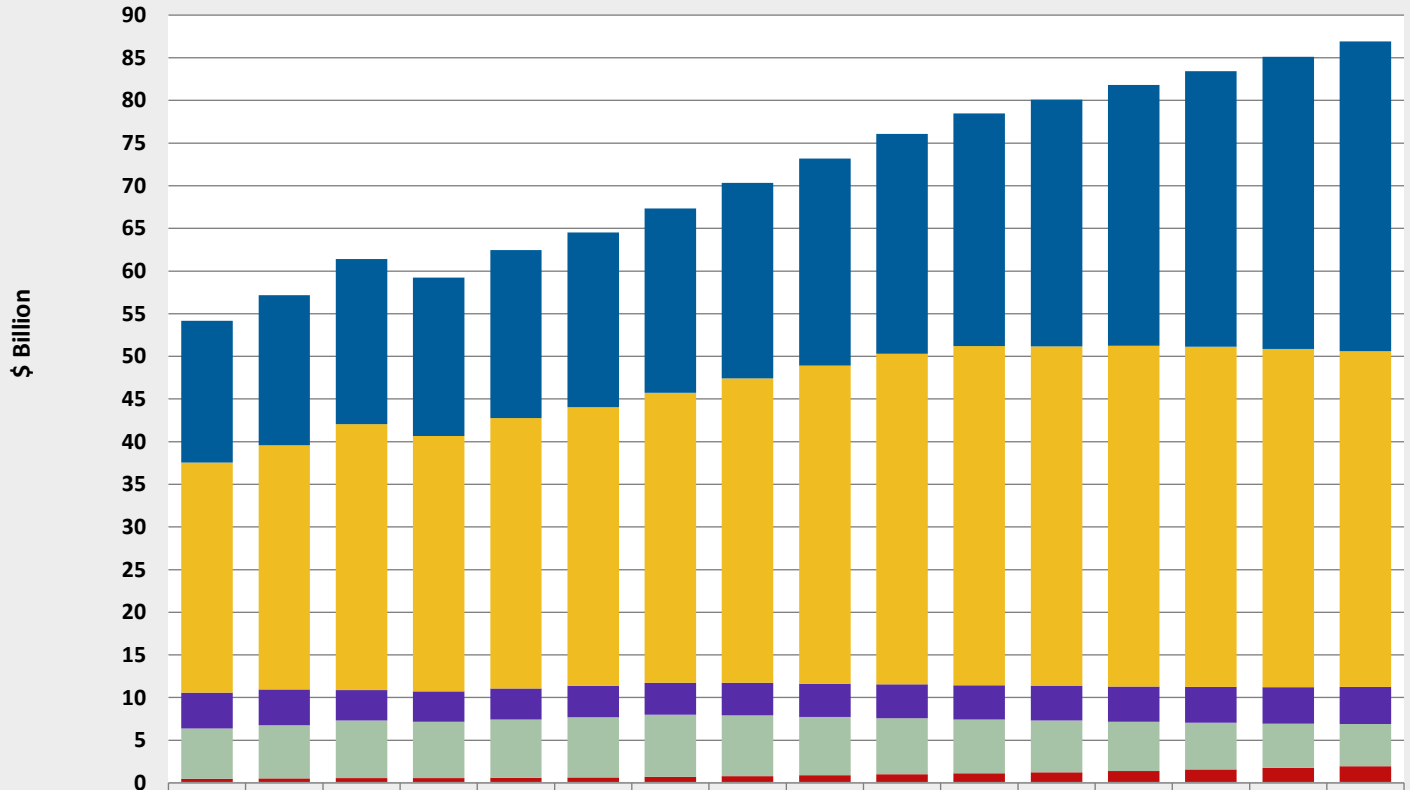
Source: Automotive Logistics

Effective management of production and OEM inventories will be crucial to maintaining a balanced outlook for the North American market. On the supply chain front, the Inflation Reduction Act (IRA) subsidies and incentives tied to rules of origin for EVs and battery supply chains – reinforced by USMCA rules of origin – are proving to be strong catalysts for automotive investment.

These factors are likely to trigger a resurgence in North American automotive manufacturing, alongside a medium-term rise in inbound automotive logistics. This trend toward reshoring and regionalisation of new automotive investments is further bolstered by the need to localise EV and battery production to reduce costs, emissions, and enhance supply chain resilience and flexibility.

3. North American automotive logistics market forecast by type 2025-2035

Figure 3.1 North American automotive logistics market forecast by type 2025-2035 ($bn)



	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Finished Vehicles	16.60	17.60	19.36	18.58	19.70	20.48	21.61	22.91	24.28	25.74	27.28	28.92	30.57	32.31	34.25	36.30
Inbound components	26.98	28.59	31.17	29.92	31.72	32.67	33.97	35.67	37.28	38.77	39.74	39.74	39.94	39.86	39.66	39.34
Premium / priority	4.20	4.20	3.57	3.57	3.61	3.68	3.75	3.83	3.90	3.98	4.02	4.10	4.14	4.23	4.27	4.35
Aftermarket	5.88	6.23	6.73	6.60	6.86	7.07	7.28	7.13	6.85	6.57	6.31	6.06	5.76	5.47	5.19	4.93
Reverse	0.50	0.53	0.58	0.56	0.59	0.63	0.71	0.80	0.89	1.00	1.12	1.25	1.40	1.57	1.76	1.97

Source: Automotive Logistics

Figure 3.2 North American automotive logistics market by type 2025 (% Share)

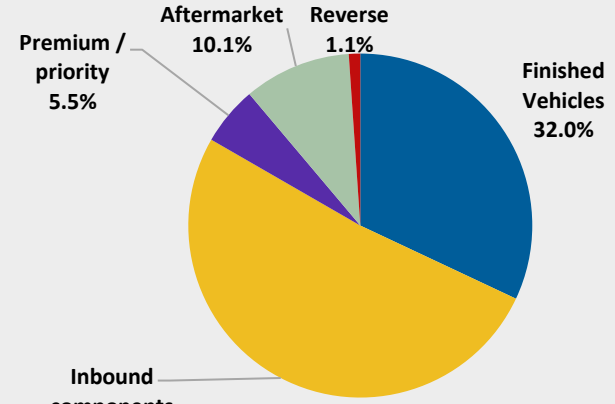
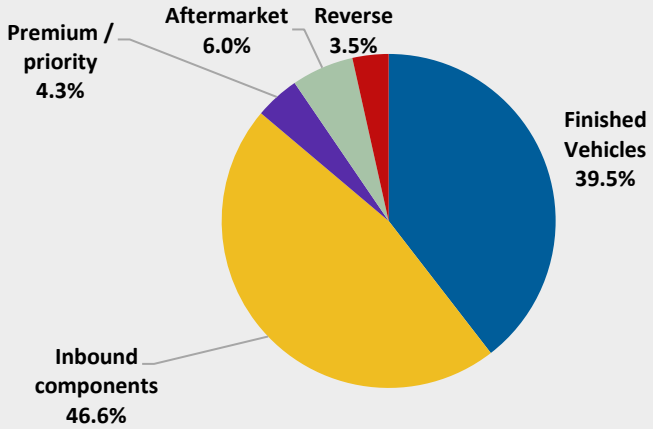


Figure 3.3 North American automotive logistics market by type 2035 (% Share)



Source: Automotive Logistics

3.1 Inbound component logistics

The North American automotive inbound component logistics market is predicted to grow from $32.67 billion in 2025 to a peak of $39.94 billion in 2032, before slightly declining to $39.34 billion in 2035 with a CAGR of 1.9% for the overall 2025-2035 forecast period (see **Figure 3.1**).

This slower growth compared to the overall 3.0% automotive logistics market expansion is driven by two key factors.

First, the gradual shift to EVs results in fewer, though higher-value, components being transported – such as batteries.

Second, the gradual localisation of battery supply chains aims to shorten transport distances, reduce emissions, lowering costs, and enhancing supply chain resilience. Consequently, in the longer term, inbound logistics revenues may decline relative to the broader automotive logistics market.

Table 3.1 North American automotive inbound logistics trends

- **Supply chain planning:** Supply chain disruption, complexity, and fluctuating in production and demand increasingly make managing inventory critical to ensure better cash flow. Excess stock results in misallocation of labour, warehousing and logistics costs, etc. Too much inventory can really hurt the suppliers balance sheet.
- **Increasing complexity is a challenge.** Supply chain complexity is growing, but there are pain points around border complexities / delays, and the potential US East Coast port strikes. The solution is increased focus upon collaboration and visibility.
- **Cost reduction / cost pressures.** OEMs are keen to reduce costs across the inbound supply chain to lower vehicle purchase prices, particularly for EVs. And inbound logistics is a key area identified as an area to make cost savings.
- **Freight recession in road freight:** The road freight sector, across all industry verticals including automotive, is experiencing overcapacity due to a slowdown in demand, driving freight rates downwards. Furthermore, road logistics faces relatively low barriers to entry compared to other logistics modes such as rail or shipping, exacerbating the oversupply situation.
- **Normalising shipping container rates ticking up again:** Following the sharp rise in shipping container rates in 2021 and 2022 – when rates exceeded $10,000 per shipping container due to the Covid crisis and supply chain disruption – rates then fell back to pre-Covid levels of ~$1,500 per container in 2023. However, in early 2024, issues such as the Suez Canal disruptions have pushed container rates back up to $4,000-$5,000 per container (see **Figure 4.4**).
- **Longer term shift to rail**: Over the long term, as environmental concerns grow, there will be increased efforts to shift inbound logistics towards lower-emission transport modes such as rail, where feasible, to reduce the cardon footprint in supply chains.
- **Inflation Reduction Act (IRA) driving nearshoring:** The IRA is expected to spur significant investment in regionalising and localising automotive manufacturing within North America, particularly in the US and Mexico. This includes reshoring supply chains for EV battery gigafactories (see **Table 3.1**), which will boost inbound logistics demand. However, there is uncertainty about whether the IRA policy will remain in its current form if Republicans win the 2024 election.
- **Flexibility in logistics adapting to powertrain mixes:** Logistics operators need to respond to the varying trajectories of EV vs. HEV vs. ICE, while also navigating the delays in EV and battery investments. Logistics considerations include safety regulations, the need for inbound battery charging infrastructure and mitigating battery degradation due to heat. While the pace of transition to EV adoption is slower than expected, the longer-term shift to electrification will fundamentally reshape the inbound logistics landscape. EV production, with its demand for fewer but heavier and higher-value components (primarily batteries), will lead to shorter inbound distances and, eventually, a plateau or decline in inbound logistics revenues.
- **Unionisation and wage increases:** The US automotive industry has a substantial unionised workforce. Recent UAW strikes and the resulting wage increases across automotive could affect related sectors, such as in-plant logistics and inbound logistics. The rise in labour costs is also driving interest in automation within logistics, including the use of AGVs, autonomous forklifts and autonomous trucks, as a means to control costs.

Source: Automotive Logistics

Table 3.2 Major North American gigafactories investments

Current gigafactories			
United States			
Cell manufacturer	Details	Location	Date
Tesla/Panasonic	Battery plant 38 GWh	Nevada, Arizona	2016
GM/LG Ultium Cells	Battery plant 30 GWh	Lordstown, Ohio	2022
SK Innovation	Battery plant 9.8 GWh	Commerce, Georgia, no. 1	2022
SK Innovation	Battery plant	Commerce, Georgia, no. 2	-
GM/LG Ultium Cells	Battery plant	Sprint Hill, Tennessee	2023
Stellantis/LG	Battery plant 40 GWh	Arizona	2024
Clarios	Battery plant	Milwaukee, Wisconsin	-
Clarios	Battery plant	Holland, Ohio	-
Panasonic	Battery plant	Queens Creek, Arizona	2024
GM/LG Ultium Cells	Battery plant	Lansing, Michigan	2024
A123 Systems Inc.	Battery plant	Livonia, Michigan	-
Hyundai Motor Group/LG	Battery plant	Savannah, Georgia	2024
Microvast	Battery plant 2 GWh	Clarkesville, Tennessee	
Akasol	Battery plant 400 MWh	Detroit, Michigan	
Saft America	Battery plant	Jacksonville, Florida	
Planned gigafactories			
Envision	Battery plant 30 GWh	Warren County, Kentucky	2025
Ford/SK On BlueOval SK	Battery plant 43 GWh	Stanton, Tennessee	2025
Ford/SK On BlueOval SK	Battery plant 43 GWh	Stanton, Tennessee	2025
Ford/SK On BlueOval SK	Battery plant	Glendale, Kentucky	2025
Hyundai/SK On	Battery plant 35 GWh	Georgia	2025
Stellantis/Samsung SDI	Battery plant 33 GWh	Kokomo, Indiana	2025
GM / Samsung SDI	Battery plant 30 GWh	Kokomo, Indiana	2026
GM/Samsung SDI	Battery plant 30 GWh	Indiana	2026
GM/Samsung SDI	Battery plant	TBC	TBC
Honda/LG Solutions	Battery plant 40 GWh	Ohio	2025
Tesla	EV/ battery plant 20 GWh	Austin, Texas	2025
Tesla	EV / battery plant 10 GWh	Fremont, California	2026
Ford (tech by CATL)	Battery plant 35 GWh	Marshall, Michigan	2026
Ford/LG	Battery plant	TBC	TBC
Statevolt/Controlled Thermal Resources (CTR)	Battery plant 34 GWh	Imperial Valley, California	2027
BMW/Envision AESC	Battery plant 30 GWh	Florence County, South Carolina	2027
SK Innovation	2nd battery plant	Commerce, Georgia	TBC
Toyota	Battery plant	Greensboro, North Carolina	TBC
Panasonic	Battery plant	Kansas	TBC
Amplify Cell Technologies	Battery plant 21 GWh	Marshall County, Mississippi	2027
Sparx	Startup	Rancho Cordova, Buckley	TBC
Vinfast	EV/ battery plant	North Carolina	2028
Natron Energy	24 GWh	Edgecombe County, North Carolina	TBC
Gotion High Tech	Battery plant	Manteno, Illinois	TBC
ACC	Battery plant	North America	TBC
One Next Energy (ONE)	Battery plant 20 GWh	Michigan	TBC
Enersys	Battery plant	Greenville, South Carolina	2027
American Battery Factory	Battery plant	Tucson, Arizona	2025
Canada			
Stellantis/LG	Battery plant 45 GWh	Windsor, Ontario	2024
Stromvolt	Battery plant 5 GWh	Ontario	2026
VW/PowerCo	Battery plant 90 GWh	St Thomas, Ontario	2027
Northvolt	Battery plant 60 GWh	Quebec	2026
Mexico			
Tesla	EV / battery plant	Santa Catarina	TBC
CATL	EV / battery plant	Mexico	TBC
BMW	EV / battery plant	San Luis Potosi	2027
Cenntro Automotive México	Battery plant	Nuevo Leon	2023

Source: Automotive Logistics

3.2 Outbound FVL

The North American automotive outbound finished vehicle logistics (FVL) market is predicted to grow from $20.48 billion in 2025 to $36.3 billion in 2035, with a CAGR of 5.9% during the forecast period (see **Figure 3.1**).

FVL logistics revenues are expected to increase at a rate slightly above overall automotive logistics market, driven not only by volume growth but also by the increasing size and weight of vehicles. Furthermore, FVL providers are required to improve capacity and invest in the green transition, which contribute to rising FVL costs. OEMs are also prioritising FVL as critical component of customer experience, prompting logistics companies to offer more valued-added services.

Table 3.3 North American automotive outbound FVL trends

- **Supply chain planning to help with FVL inventory levels:** Fluctuating demand results in OEMs struggling with high inventory of unsold vehicles in certain segments, particular EVs, and so it is critical to manage a well-balanced supply chain. The challenge is getting the supply/demand balance right, and the extra costs it brings in vehicle inventory storage costs. Average inventory levels across the US have now recovered to pre-pandemic levels, increasing from 950,000 vehicles in June 2022 to around 2.8m vehicles in June 2024. This clearly has implications for logistics along the entire value chain from ports to compounds, yards and dealerships. Retail inventory now averages around 51 days of stock as of April 2024, up from 31 days in April 2023. However, these averages vary significantly between brands, with some OEMs as low as 23 days whilst others as high as 129 days.
- **Increasing complexity is a challenge.** With fluctuating inventory levels, there are pain points around border movements / delays, and the potential US East Coast port strikes, which exacerbates complexity for FVL operators.
- **Cost reduction / cost pressures.** OEMs are keen to reduce costs across the entire value chain to reduce overall vehicle purchase prices, particularly for EVs. Finished vehicle logistics is a key area identified as an area to make those cost savings.
- **Ro-Ro/PCTC issues still linger**: A shortage of Ro-Ro/PCTC capacity persists, exacerbated by geopolitical disruptions that lengthen shipping routes. This has led to day rates doubling in some cases, with vessels charging over $100,000 per day. Furthermore, with more than 200 vessels on backorder, the lead time for new ships has not alleviated the capacity crunch.
- **OEMs chartering their own truck fleets**: To address immediate capacity challenges in FVL, some OEMs are chartering their own truck fleets. However, this approach is seen as a temporary fix rather than a sustainable solution to the structural issues surrounding capacity, transparency, collaboration and resilience.
- **Rail-based FVL capacity crunch of 2022/23 has eased**: While rail transport remains the primary method for moving new vehicles over longer distances, North American finished vehicle logistics have faced a shortage of railcars, particularly bi-level railcars needed for larger vehicles. This problem has been partially mitigated by deploying innovative FVL modes such as containerised FVL.
- **Truck driver shortages have eased but still linger:** Road-based car carriers continue to represent a significant portion of FVL volumes, especially for last-mile delivery to local hubs, vehicle distribution centres (VDC) and dealerships or end customers. Although the shortage of experienced and qualified truck drivers – especially haulaway drivers, partly due to an ageing workforce – has impacted available capacity, increasing salaries have helped stabilise the situation.
- **Containerised car shipments:** In some specific cases, to ease bottlenecks, OEMs have used containers to transport finished vehicles. However, this solution is costly, often three to five times more expensive than alternative transport modes.
- **Longer-term contracts, partnerships and relationships**: Given slim margins in FVL, providers must form long-term partnerships with OEMS to justify investments in new capacity and transitions to zero-emission transport modes.
- **Port congestion is now a constraint:** Despite ongoing efforts to increase rail, road, and shipping capacity, mismatches between production and demand have led to pockets of port congestion, particularly on the West Coast of the US and in Mexico, now exacerbated by port strokes on the East Coast.
- **Manufacturing quality 'holds'**: New vehicle releases sometimes result in quality issues – often software-related – being identified after vehicles leave the factory. To avoid damaging product recalls, these vehicles are placed on 'hold' until the issues are resolved. While this is a manufacturing concern, it significantly impacts FVL network planning.

Source: Automotive Logistics

3.3 North American automotive premium / priority logistics

The North American automotive premium / priority logistics market is predicted to grow from $3.38 billion in 2025 to $4.35 billion in 2035, with a CAGR of 1.7% for the overall 2025-2035 forecast period. After peaking at $4.2 billion in 2020 due to the Covid-19 pandemic, the market has now settled back to pre-pandemic levels. However, over the forecast period, as EV and battery supply chains are developed, we expect to see a steady increase in the need for premium / priority logistics to fill gaps in these new supply routes (see **Figure 3.1**).

Table 3.4 North American automotive premium / priority logistics trends

- **Pandemic surge has eased:** During the pandemic period of 2020-2022, the demand for premium / priority logistics surged as suppliers and OEMs faced component shortages and the unprecedented supply chain disruption, particularly the semiconductor crisis, hampered vehicle production.
- **Rates have normalised**: As logistics flows have begun to normalise, the demand for premium /priority logistics rates are expected to gradually decline, with rates returning to more typical levels.
- **Tooling and other project needs:** Premium / priority logistics also play a crucial role in transporting tooling and equipment for adapting plants to changing vehicle product mixes and locations.

Source: Automotive Logistics

3.4 North American automotive aftermarket / service parts logistics

The North American automotive aftermarket / service parts logistics market is predicted to decline from $7.07 billion in 2025 falling back to $4.93 billion in 2035, effectively with a CAGR of -3.5% for the overall 2025-2035 forecast period. This anticipated decline is largely attributed to the transition to EVs, which have significantly few moving parts and, consequently, a reduced need for service parts, particularly in the 2030-3235 period of the forecast, when EVs are expected to dominate the market. Increasingly, vehicle faults are being addressed through software updates rather than hardware replacements (see **Figure 3.1**).

Table 3.5 North American automotive aftermarket / service parts trends

- **Vehicle fleet is ageing:** As consumers hold on to their vehicle longer, the average vehicle fleet age increases, in the short-term increasing the demand for service parts. This trend is expected to bolster the aftermarket parts logistic market until around 2026, after which it will stabilise.
- **EVs driving structural decline:** In the medium term, with the key exception of vehicle tyres, the aftermarket / service parts segment is likely to decline as vehicles become more reliable. EVs, in particular, feature fewer components prone to wear and tear, resulting in long-term declines for the aftermarket / service parts logistics sector.
- **Investment in dedicated delivery services:** In North America, the longer distances and more centralised storage makes it harder to offer expedited parts delivery. There has therefore been investment in dedicated delivery services (DDS). An example of this would be OEMs like Toyota who have invested in a range of flexible options, such as dealer pick-up options, or at a central pick-up point in a city.

Source: Automotive Logistics

3.5 North American automotive reverse logistics

The North American automotive reverse logistics market is predicted to expand from $0.63 billion in 2025 to $1.97 billion in 2035 with a CAGR of 12.0% for the overall 2025-2035 forecast period (see **Figure 3.1**). The strong growth in reverse logistics will primarily be driven by the growth in EVs. To help avoid raw material shortages for EV batteries, increasingly EV batteries will be recycled at the end of the vehicle's life, driving a steady increase in reverse logistics.

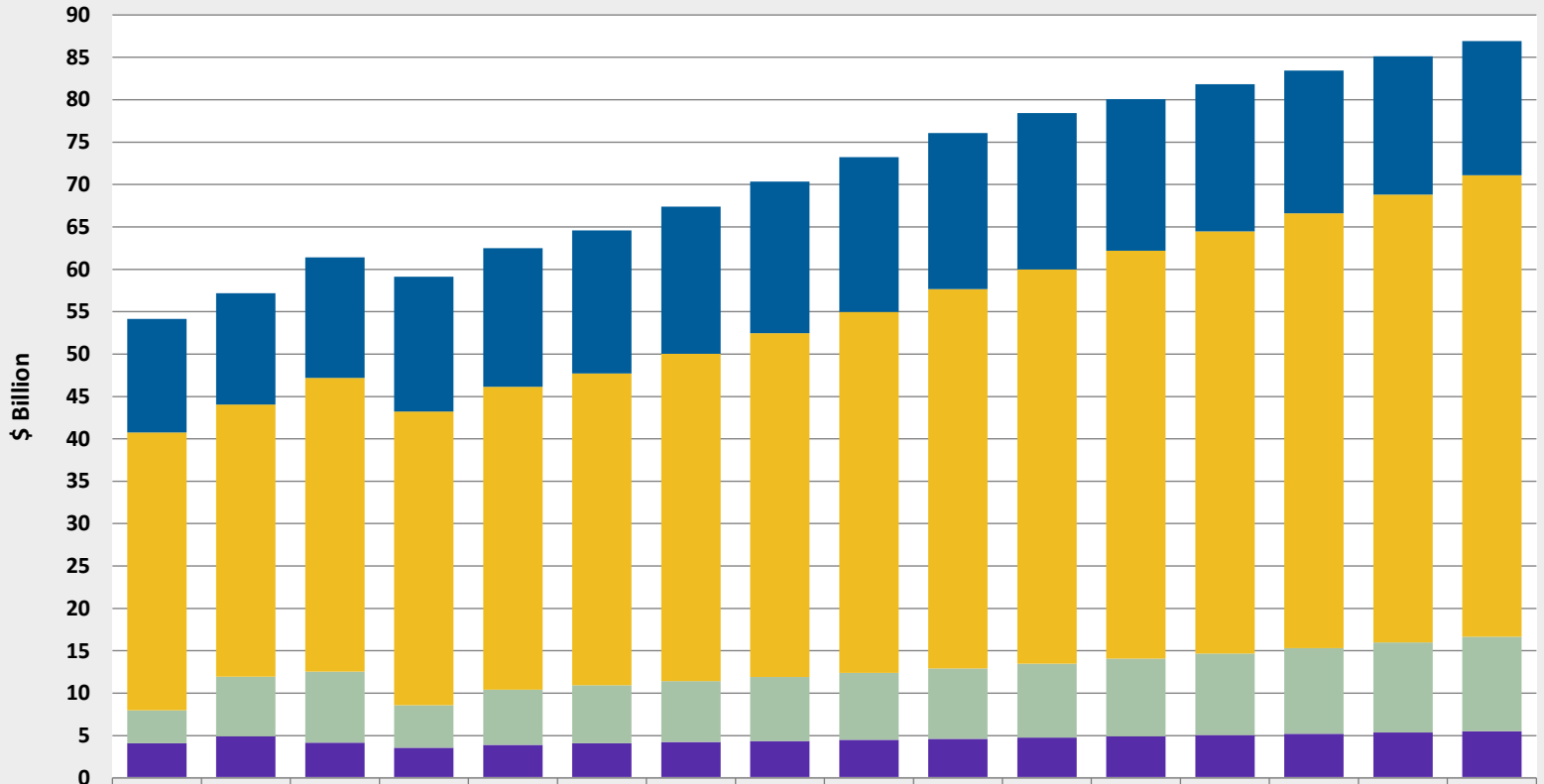
Table 3.6 North American automotive reverse logistics trends

- **Reverse logistics is currently very small but will grow:** The reverse logistics segment is currently a relatively small part of the overall north American automotive logistics market, but this is expected to change over the next decade.
- **EVs will gradually increase the reverse logistics segment:** Although EVs are generally more reliable with fewer parts to go wrong, the increasing penetration of EVs in use will mean that there will be a continual uptick in reverse logistics for the recovery of older EV batteries for recycling, particularly as the current generation of EVs in use are taken out of service over the next 5 to 10 years.

Source: Automotive Logistics

4. North American automotive logistics market forecast by mode 2025-2035

Figure 4.1 North American automotive logistics market forecast by mode 2025-2035 ($bn)



	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Road	13.40	13.14	14.19	15.89	16.37	16.86	17.36	17.88	18.24	18.42	18.42	17.87	17.34	16.82	16.31	15.82
Rail	32.76	32.10	34.67	34.67	35.71	36.78	38.62	40.56	42.58	44.71	46.50	48.13	49.81	51.31	52.85	54.43
Ocean	3.90	7.02	8.36	5.01	6.52	6.84	7.19	7.54	7.92	8.32	8.73	9.17	9.63	10.11	10.62	11.15
Air	4.10	4.92	4.18	3.55	3.91	4.10	4.22	4.35	4.48	4.62	4.75	4.90	5.04	5.20	5.35	5.51

Source: Automotive Logistics

Figure 4.2 North American automotive logistics market by mode 2025 (% Share)

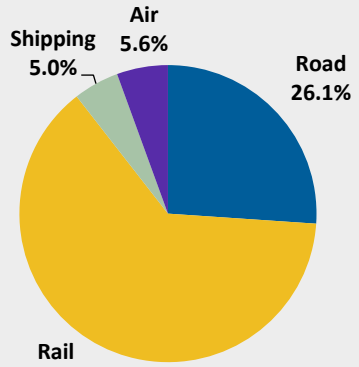
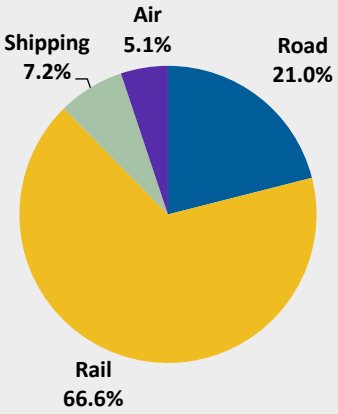


Figure 4.3 North American automotive logistics market by mode 2035 (% Share)



Source: Automotive Logistics

4.1 North American automotive road logistics

The market for North American automotive road-based logistics is predicted to shrink slightly from $16.86 billion in 2025, decreasing to $15.82 billion in 2035 with an effective CAGR of -0.6% for the overall 2025-2035 forecast period.

See **Figure 4.1.**

Road-based logistics are expected to decline relative to the overall automotive logistics market as efforts are made to shift freight to other transport modes such as rail and ocean because of their much lower emissions.

Table 4.2 North American automotive road logistics trends

- **Freight recession in road freight.** Overall road freight capacity, across all industry verticals, and beyond automotive, is experiencing overcapacity because of slowing demand with less-than-full truckloads a common occurrence. This is driving freight rates down. Furthermore, road-based logistics is characterised by relatively low barriers to entry compared to other logistics modes such as rail or ocean shipping, and this contributes to overcapacity.
- **Operating costs have risen squeezing operating margins.** Operating costs are rising because of elevated fuel, labour, and insurance costs, as well as growing costs of complying with regulations, such as emissions standards that are impacting cab costs. The overcapacity and falling road freight rates has also made it difficult for carriers to pass on these costs to their customers, which has squeezed their operating margins.
- **Industry consolidation will continue.** Low freight rates, combined with squeezed margins, and an already highly fragmented sector and tough competition, will inevitably lead to some business failures and / or more industry consolidation, particularly among 3PLs.
- **Truck driver shortages have stabilised.** Road-based car carriers continue to move a sizable share of FVL volumes, especially for last-mile delivery to local hubs, vehicle distribution centres (VDC) and finally to dealerships or end customers. The challenge there over the last few years has been the lack of experienced and qualified truck drivers (in part because of an ageing driver demographic) which has impacted available capacity. However, salaries for truck drivers have increased which has partly stabilised the situation.
- **FVL companies experimenting with new approaches.** A lack of outbound capacity has led companies to try different approaches. One example is by establishing a dealer pickup programme, whereby the dealer takes responsibility for collecting the vehicle from the vehicle distribution centre, easing pressure on road carriers. Another pilot programme has been to financially incentivise truck drivers to prioritise the delivery of sold vehicles (rather than to deliver dealer stock/inventory), and thereby simultaneously better fulfil customer orders.
- **OEMs have also experimented with owned FVL fleets.** Although these have been small scale pilot programmes, OEMs have seen the value of having at least some FVL capacity in-house rather than that provided by 3PLs, and that small extra capacity under their control helps alleviate capacity shortages. However, this is unlikely to account for big volumes and industry observers say that it is not a long-term solution for more structural FVL capacity issues.
- **Heavier and larger vehicles reducing load factor.** Not only are new vehicles getting larger on average because of consumer preference for SUVs and pickups, the advent of EVs is also making vehicles considerably heavier because of the battery's extra weight. Issues around weight and dimensions are an increasing concern for the logistics operators providing finished vehicles in North America, who are already having to deal with a range of concerns related to capacity. They are also constrained by regulations currently limiting car transporters to 80,000lbs (36 tons). The reduced load factors, long waiting lists for new fleets and the lack of drivers is compounding the FVL capacity crisis. Therefore, a more realistic solution that has been suggested is to revise the existing regulations on weight restrictions for car transporters.
- **Investment in integrated transport management systems.** These digital tools improve connectivity, communication, collaboration, and enhance routing optimisation, supply chain visibility and operational efficiency.
- **The Inflation Reduction Act and nearshoring could increase road-based logistics in the longer term.** This is likely to occur particularly around manufacturing hubs and across growing supply routes such as the US / Mexico border.

Source: Automotive Logistics

4.2 North American automotive rail logistics

The North American automotive rail logistics market is predicted to grow from $36.78 billion in 2025 increasing to $54.43 billion in 2035, with a CAGR of 4.0% for the 2025-2035 forecast period. See **Figure 4.1.**

This slightly above-trend growth rate for rail-based logistics is expected as attempts are made to gradually migrate road freight and FVL to rail to reduce costs, and lower emissions.

However, this is very much contingent upon building rail network capacity – but also relies upon the delivery of specialised autoracks, and also alleviating particular pinch points on the network.

Table 4.3 North American automotive rail logistics trends

- **Rail dominates North American automotive logistics**. In terms of market value and volume, rail constitutes the dominant transport mode in North American automotive logistics, and particularly so for finished vehicle logistics, where rail is understood to transport around 75% of new vehicles within the US.

- **Railroad network operators remain highly consolidated.** The network is dominated by the six Class 1 railroad operators: BNSF Railway, Canadian National Railway, Canadian Pacific Kansas City, CSX Corporation, Norfolk Southern, and Union Pacific Railroad. This market concentration characterises the rail sector and is a counterpoint to the rest of the automotive logistics market, which remains highly fragmented.

The assertion is often made that the dominant position of the railroad companies results in too much focus on profits rather than improving services and investing in expanding capacity for shippers, while also neglecting pay and conditions for workers, although investment in capacity and the number of employees have improved recently.

- **Rail based FVL capacity crunch of 2022/23 has eased**. For outbound finished vehicle logistics in North America, the majority of new vehicles are transported by rail over longer distances. While North American finished vehicle logistics has suffered from a shortage of railcars, more specifically the bi-level railcars needed for the increasingly larger vehicles consumers are choosing to buy, this problem has been partially mitigated by modal innovations, such as containerised vehicle shipments. The problem became so acute that at one point the US Surface Transportation Board and the US Department of Transport (DOT) were informed.

- **Specific shortages of railcar autoracks.** There is not an overall lack of railcar capacity across the US. In fact, over the last decade the rail industry has increased fleet capacity by 20,000 railcars. However, there is still a shortage of specific autoracks. The real shortage in capacity arises, however, because the new rail cars are the wrong rail cars required for the sort of vehicle volumes that now need to be moved. Consumer preference has also shifted significantly over the past decade toward bigger, SUVs and pickups, which require bi-level wagons, not the traditional tri-level wagons. Furthermore, the take-up of EVs means heavier vehicles need to be shifted. FVL rail providers have been slow to respond to these market changes.

- **Containerised car shipments.** In some specific cases, to ease particular bottlenecks, there has been a notable uptick in OEMs resorting to rail-based containers to transport finished vehicles. Nevertheless, this an expensive stopgap that can cost three to five times alternative transport modes. This method is used rather like premium or expedited logistics to fill a gap and is never going to be the dominant logistics transport mode, compared to Ro-Ro or railcar autoracks.

- **Geographic shifts.** Changes in the supply chains and routing of Asian and European finished vehicles has resulted in train routes becoming longer. For example, the growth of vehicle imports from China into Mexico, and increases in production volumes at Tesla's Fremont California plant have both influenced rail car capacity in those regions.

- **Longer term shift to rail.** Furthermore, in the medium to long-term, as environmental concerns come to the fore across the supply chain, to mitigate the CO2 footprint of the inbound supply chains, the transport of inbound components, where possible, will be shifted to lower-emitting modes, such as rail.

- **Digitalisation.** Increasing investment in telematics, to achieve better tracking, resilience, efficiency and network optimisation.

- **Collaboration.** Class 1 railroad operators are often partnering with other railroads, and other logistics providers to provide more seamless logistics flows across North America, especially across borders.

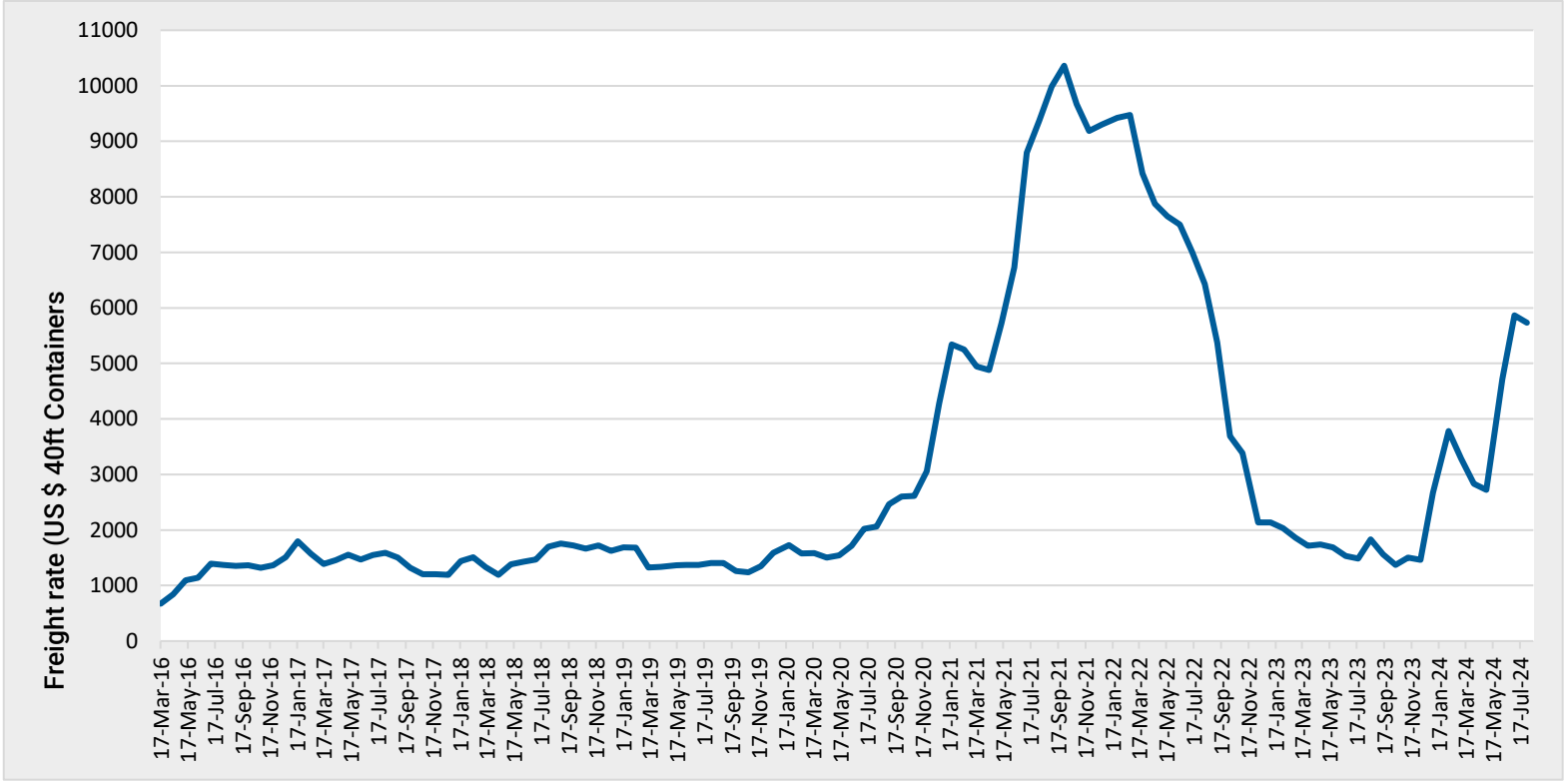
- **Sustainability.** Tightening regulations are compelling railroad operators to start investing in more environmentally friendly rail cars.

Source: Automotive Logistics

4.3 North American automotive ocean logistics

The North American ocean automotive logistics market is set to grow from $6.84 billion in 2025 increasing to $11.15 billion in 2035, with a CAGR of 5.0% for the overall 2025-2035 forecast period. See **Figure 4.1.** After container rates surged during the pandemic period of 2021-2022, container rates fell back to normal pre-pandemic rates in 2023. However, from the beginning of 2024, container rates have spiked again because of geopolitical disruption affecting the Suez Canal, drought in the Panama Canal, plus other factors. See **Figure 4.4**. In the medium term we expect more volatility in container rates. In the longer term, a slightly above-trend growth rate for ocean-based logistics is expected as attempts are made to migrate road freight and FVL to ocean to reduce costs and lower emissions. However, this is contingent upon building more capacity – particularly for the specialised car carrying vessels.

Figure 4.4 Drewry Shipping World Container Index (WCI) 2016-2024



Source: Automotive Logistics

Table 4.3 North American automotive ocean logistics trends

- **Normalising container shipping rates now ticking up again.** After the spike in shipping container rates in 2021 and 2022 (exceeding $10,000/container) caused by the Covid supply chain disruption, shipping container rates fell back to pre-Covid levels (~$1,500/container), with supply and demand moving closer to equilibrium. However, in the first half of 2024, shipping container rates, in response to the ongoing Panama Canal and Suez Canal issues, have spiked back up to - $5,000 / container.

- **Ro-Ro shortages still dominate.** Daily rates for PCTC vessels have remained above $100,000 for the first half of 2024, making car carriers one of the most profitable areas of shipping during the 2020's. This capacity shortage has led to a surge in 200+ PCTC orders for new car carriers with the current PCTC fleet to orderbook ratio standing at around 35%. However, lead times for new PCTC vessels on backorder means that new capacity has not eased the situation yet.

- **Routes made longer because of geopolitical disruption and Chinese exports.** PCTC capacity shortages are not only due to increasing production volumes but the need for those vessels to deliver volumes over longer distances, and those vehicles being larger and heavier. For example, disrupted shipping lanes such as the Suez Canal and Panama Canal have led to longer alternative shipping routes being used. Furthermore, China has been increasing EV export volumes to most regions, despite tariffs and trade barriers being put up.

- **Port congestion is now often a constraint.** While efforts to increase rail, road and shipping capacity are in the pipeline, volume increases and production and demand mismatches can lead to pockets of port congestion, and this will require further solutions and / or investment from port operators.

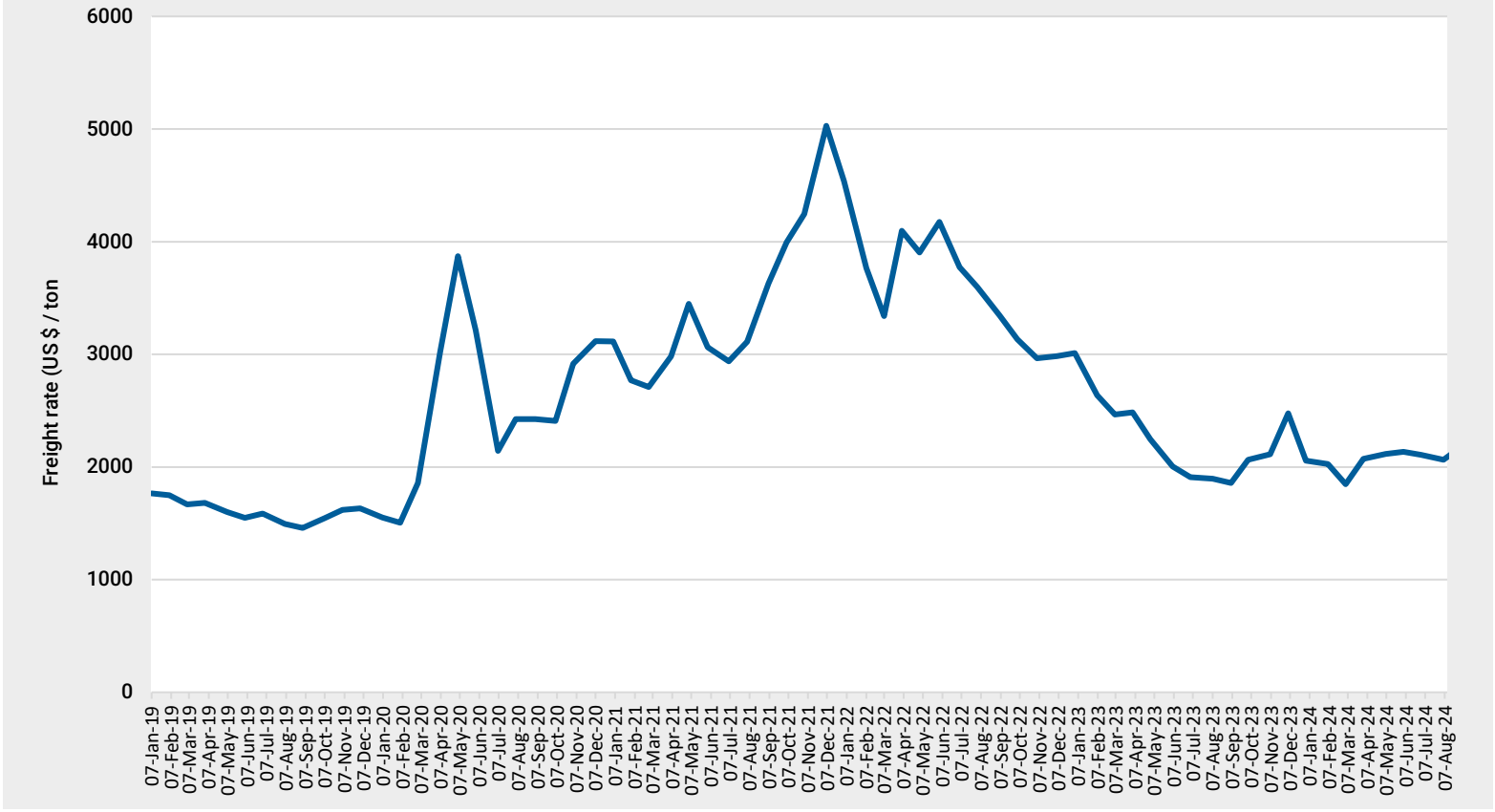
Source: Automotive Logistics

4.4 North American automotive air logistics

The North American air automotive logistics market is predicted to grow from $4.1 billion in 2025, increasing to $5.51 billion in 2035, effectively with a CAGR of 3.0% for the overall 2025-2035 forecast period. See **Figure 4.1**.

After the peaks experienced in air freight during the Covid pandemic and semiconductor shortages, air freight rates have moderated – see **Figure 4.4**. In the longer term, air freight is expected to increase broadly in line with the overall automotive logistics market.

Figure 4.5 Air Freight Index 2019-2024



Source: TAC Index

Table 4.4 North American automotive air logistics trends

- **Air logistics peaked during the pandemic.** During the pandemic, supply chain disruptions, particularly for crucial components such as semiconductors, led to an increase in use of expedited, premium, and priority logistics to keep vehicle production lines going.
- **Softening demand for air freight.** Firstly, the softening of global demand has led to air freight pricing and volumes significantly falling. That is influenced by shippers maintaining higher inventory levels, declining consumer demand, alternatives become cheaper e.g. lower ocean container rates and improving ocean availability (notwithstanding the recent spike in container rates). This has all combined to reduce ocean freight to air freight conversions.
- **Air freight 'peak season'** Despite the overall softening of demand, the peak August/September season drives air freight rates up. Furthermore, the lingering impact from IT outages is still being felt.
- **Air freight capacity has recovered.** Air freight capacity has improved since the pandemic because commercial flights have recovered their frequency thus providing more belly capacity. As a result, air freight rates have also moderated to pre-pandemic levels.

Source: Automotive Logistics

5. Leading North American automotive inbound logistics companies

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Table 5.1 Leading North American automotive inbound component logistics companies 2023 (continued...)

Company	Inbound capacity / volumes	Mode (s)	Global revenue 2023	North American Inbound automotive revenue 2023*
Ryder Systems	239,000 vehicles 95m sq. ft (8.8m sq. m) warehouse space.	Road	$11.8 billion	$1.60 billion
Deutsche Post DHL Group	Air freight 22.5m tons Ocean freight 57.7m TEU	Multimodal	$87.5 billion	$1.4 billion
C.H. Robinson	19 million shipments annually 450,000 transportation providers worldwide, including more than 96,000 contract carriers.	Multimodal	$17.6 billion	$1.4 billion
CMA-CGM	Shipping: 620 vessels, 420 ports (out of 521 worldwide), 257 shipping lines, 22 million TEUs Logistics: 750 warehouses, 9 million m2, 2.8 million tons of ground freight, 0.4 million tons of airfreight,1.05 million TEUs (3PL & NVO ocean volumes), 429 000 m3 LCL.	Multimodal	$47 billion	$0.75 billion
Union Pacific	7,500 locomotives, 51,500 freight cars on 32,693 miles of owned track across 23 states.	Rail	$22.6 billion	$0.7 billion
DSV	20,000 trucks and 30m shipments. Air: 1.6m tonnes, Sea operations 2.9m TEU. Warehousing totals 7.4m sq. m.	Multimodal	$21.63 billion	$0.5 billion
FedEx	16.5 million shipments / day, >210,000 vehicles, ~700 aircraft	Multimodal	$90.15 billion	$0.5 billion
J.B. Hunt Transport Services	> 117,000 containers ~7,000 trucks.	Multimodal	$12.83 billion	$0.5 billion
Total Quality Logistics	3 million+ loads per year	Multimodal	$6.87 billion	$0.5 billion
DP World	94m TEUs	Multimodal	$18.25 billion	$0.46 billion
Schneider National	240 facilities globally, 10,600 company trucks, 47,300 trailers, 27,430 intermodal containers 23,800 intermodal chassis	Road	$5.5 billion	$0.45 billion
SNCF / Geodis	9.6m m2 warehouse space	Multimodal	$45.5 billion	$0.4 billion
Expeditors International	N/A	Multimodal	$9.3 billion	$0.4 billion
MSC	830 vessels operating globally across 300 routes.	Multimodal	$91 billion	$0.4 billion

Source: Automotive Logistics (*estimate).

Table 5.1 Leading North American automotive inbound component logistics companies 2023

Company	Inbound capacity / volumes	Mode (s)	Global revenue 2023	North American Inbound automotive revenue 2023*
Norfolk Southern	19,500 route miles connecting 800 industrial sites, 175 warehouses, and 43 ports	Rail	$12.16 billion	$0.38 billion
Maersk	670+ vessels (approx. 50% owned) Total capacity of 4.1m TEU.	Multimodal	$51.06 billion	$0.35 billion
CSX Corporation	20,000 route miles of track across 23 states.	Rail	$14.66 billion	$0.35 billion
Carter Logistics	800 company trucks, 1600 trailers, and 100 owner operators.	Road	$0.39 billion	$0.3 billion
Penske Corporation	~2,800 trucks	Road	$39 billion	$0.3 billion
Deutsche Bahn (DB) Group	DB Schenker: 123 locations with >27 million sq. ft. of distribution operations	Multimodal	$49.3 billion	$0.3 billion
XPO	9,500 tractors, 33,500 trailers	Road	$7.74 billion	$0.3 billion
Hyundai Glovis Worldwide	119 vessels (82 PCTC), Shipping: 606,434 TEU, Air: 64,468 tons, Logistics: 1,000+ locations	Multimodal	$18.84 billion	$0.3 billion
UPS	135,000 package cars, vans, tractors and motorcycles 506 Aircraft Supply chain solutions (SCS): 600 leased and owned facilities	Multimodal		$0.3 billion
RXO	Access to over 1.5 million trucks through its network of >100,000 independent carriers.	Multimodal	$3.93 billion	$0.28 billion
Kuehne + Nagel	1,400 locations in 100 countries ~1,100 vehicles	Multimodal	$29.18 billion	$0.25 billion
Ascent Global Logistics	430,000 shipments annually	Multimodal	$2.5 billion	$0.25 billion
BNSF Railway	~7,600 locomotives operating on a rail network of 32,500 miles across 28 states	Rail	$24.87 billion	$0.2 billion
Canadian Pacific Kansas City	20,000 miles of rail across Canada, Mexico, and the US.	Rail	$12.28 billion	$0.2 billion
Hapag-Lloyd	266 vessels globally across 600 ports and 110 liner service routes.	Shipping	$19.364 billion	$0.2 billion
Other				$17.65 billion
Total				$29.92 billion

Source: Automotive Logistics (*estimate).

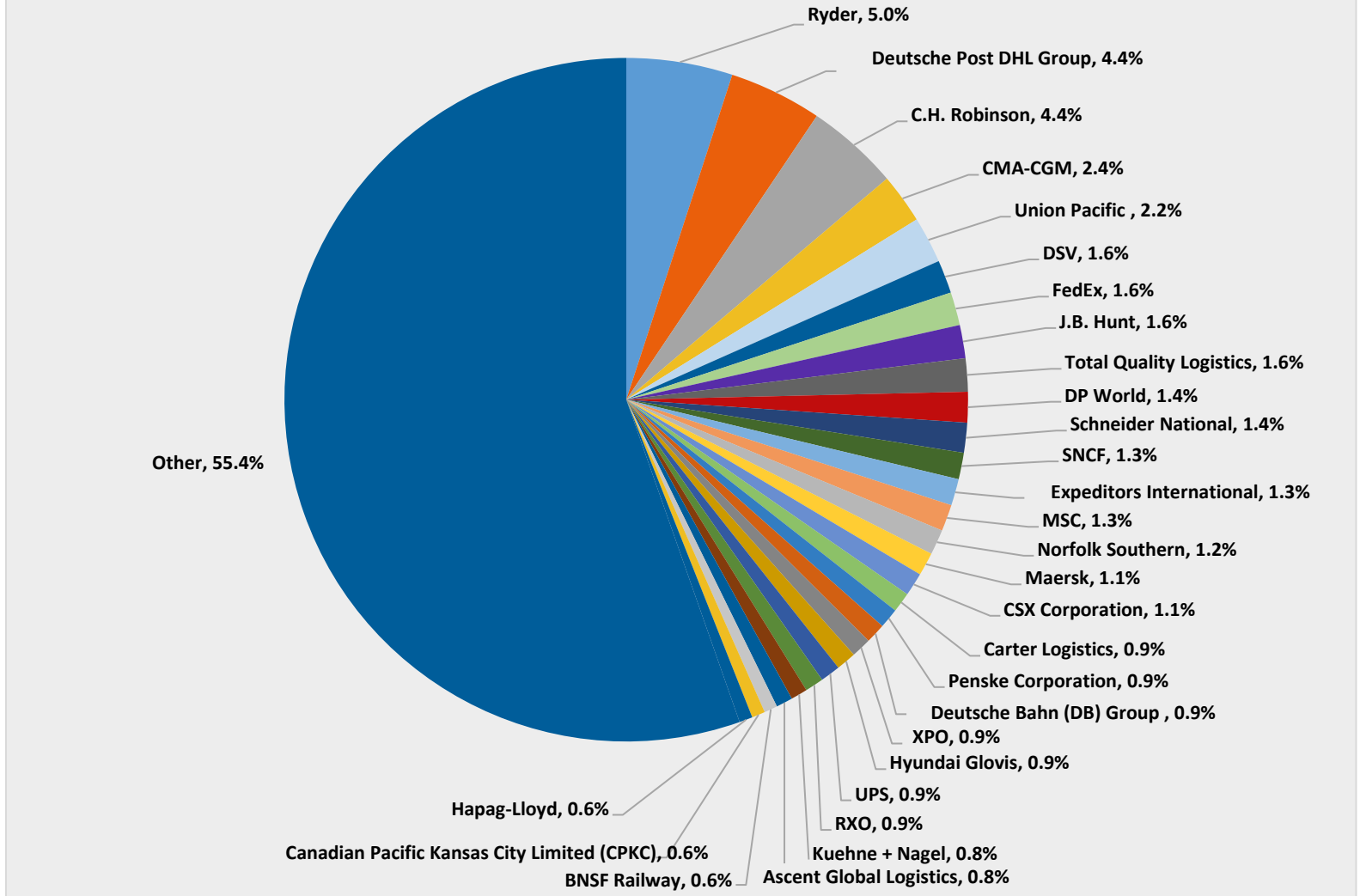
5.1 North American automotive inbound logistics company analysis

The most striking aspect of the North American automotive inbound component logistics sector is its extremely fragmented nature.

The top 28 logistics companies account for just 44.6% of the overall market and even the leading player, Ryder only has 5.0% of the market. Beyond those leading players, this means that there is a long tail of regional and even smaller inbound logistics players. This highly fragmented industry structure creates many of the characteristics and challenges that the industry faces. For example, the high industry fragmentation leads to a highly price-competitive environment with slim margins. There is therefore a reluctance to invest in capacity and more forward-looking objectives, such as the green transition to low or zero-emission logistics.

Another characteristic of the sector is how almost all of the leading companies are highly diversified businesses serving a very wide variety of industry verticals beyond just automotive. In fact, there are very few, if any, inbound logistics providers that only operate within the automotive market space, with the possible exception of Hyundai Glovis, which operates in inbound and outbound FVL, albeit one of the smallest market players within inbound automotive logistics. See **Table 5.1** & **Figure 5.1.**

Figure 5.1 North American automotive inbound component logistics companies 2023 (% share)



Source: Automotive Logistics

5.2 Leading North American automotive inbound logistics company profiles

5.3 Ryder

Ryder Systems is a US-based logistics provider specialising in supply chain management, transport logistics, warehousing, and distribution, last-mile delivery, and e-commerce fulfilment. The company primarily operates in the US, Canada, and the UK.

Industries served include automotive, consumer packaged goods, food and beverage, healthcare, industrial, oil and gas, retail and technology.

On the inbound side Ryder manages 239,000 delivery vehicles and operates 95m sq. ft (8.8m sq.m) of warehousing space.

The strength of the company's performance and growth in supply chain enabled it to make three targeted acquisitions in 2022, extending its logistics offering, and followed this with the acquisition of Impact Fulfilment Services (IFS) in 2023.

Table 5.2 Ryder key acquisitions 2021-2023

Acquisition	Value	Date
Midwest Warehouse & Distribution System (Midwest)	$275m	2021
Dotcom Distribution	-	2022
Whiplash	$480m	2022
Baton	-	2022
Impact Fulfilment Services (IFS)		2023

Source: Ryder

Global Ryder revenues were $11.8 billion in 2023, only slightly down from $12 billion in 2022. Some 44% of company revenues are from their fleet management solutions, 41% of revenues are supply chain solutions (SCS), and 15% of revenues from dedicated transport services.

Table 5.3 Ryder division revenues 2023

Division	Revenue
Fleet management solutions	$5.93 billion
Supply chain solutions (SCS)	$4.88 billion
Dedicated transport services	$1.79 billion
Eliminations	-$0.81 billion
Total	$11.8 billion

Source: Ryder

All supply chain solutions (SCS) revenues are generated within North America. Within their SCS division, automotive revenues are stated as $1.60 billion. Ryder are not involved in FVL.

Therefore, Ryder's North American automotive inbound logistics revenue is $1.60 billion annually.

5.4 Deutsche Post DHL Group

Deutsche Post DHL, based in Germany, is a logistics company that was originally founded in the US but is now part of the wider Deutsche Post DHL Group, and which reported global revenues of $87.5 billion in 2023, a significant drop from $103.8 billion in 2022. The group has five main divisions: DHL Express; DHL Global Forwarding, Freight; DHL Supply Chain; DHL eCommerce Solutions; and P&P Germany. It is primarily the DHL Global Forwarding, Freight and DHL Supply Chain divisions that provide automotive inbound logistics.

Table 5.4 Deutsche Post DHL Group division revenues 2023

Division	Revenue
DHL Express	$26.56 billion
DHL Global Forwarding, Freight	$20.65 billion
DHL Supply Chain (DHLSC)	$18.1 billion
DHL eCommerce Solutions	$6.75 billion
P&P Germany	$18.1 billion
Group functions	$2.06 billion
Consolidations	-$4.8 billion
Total	$87.5 billion

Source: Deutsche Post DHL Group

5.4.1 DHL Global Forwarding, Freight

The Global Forwarding, Freight (GFF) division had global revenues of $20.65 billion in 2023, falling significantly from $33.2 billion in 2022, in part because of lower volumes, but this was primarily the consequence of normalising freight rates.

However, the majority of that global revenue was for air freight, which was $6.45 billion in 2023, falling drastically from $11.4 billion in 2022, and ocean freight $6.02 billion in 2023, more than halving from $12.5 billion in 2022. Air and ocean are transport modes utilised at relatively low rates within automotive logistics.

Furthermore, these revenue figures are across all industry verticals. We therefore estimate the North American automotive logistics element of their global freight forwarding revenues to be just 3% of that overall revenue, or $0.61 billion in 2022.

5.4.2 DHL Supply Chain (DHLSC)

DHL Supply Chain (DHLSC**)** provides logistics services to the following sectors: automobility, consumer, energy and chemicals, engineering and manufacturing, life sciences and healthcare, retail, and technology.

For the automotive sector, those services include:

- Inbound logistics to manufacturers
- Component logistics, in particular battery logistics
- Finished vehicle logistics
- Aftermarket / reverse logistics

DHLSC achieved revenues of $18.1 billion in 2023 ($18 billion in 2022). Company data suggests that 41% of operations are from North and South America, and therefore that around 31% of DHL Supply Chain operations are within North America, which equates to revenues of $5.6 billion.

Within those North American operations, the “automobility supply chain” has been quoted as 14% of revenues for the division. From that we can deduce that DHLSC North American automotive inbound logistics revenue to be $0.79 billion annually.

Therefore, combining both the DHLSC and DHL Global Forwarding, Freight (GFF) divisions, we estimate Deutsche Post DHL Group’s overall North American automotive inbound logistics revenue to be $1.4 billion annually.

5.5 C.H. Robinson

C.H. Robinson, based in Minnesota, US, provides freight brokerage, transport management, warehousing, and supply chain consulting. Multimodal freight services include truckload, less-than-truckload (LTL), intermodal, air freight, and ocean transport. The company also offers transport management technology for shippers and carriers with its Navisphere connected logistics platform.

Major industries served include consumer packaged goods, durable goods, food and beverage. Other industries served include aerospace and defence, automotive, building products, chemicals, computers and electronics, industrial and manufacturing, fashion and apparel, forest and paper products, government, healthcare, office equipment, oil and gas, publishing, retail, rubber and plastic products and telecommunications. C.H. Robinson has three main divisions:

Table 5.5 C.H. Robinson division revenues 2023

Division	Service	Revenue
North American Surface Transportation (NAST)	Freight transport service, primarily truckload and less than truckload (LTL)	$12.47 billion
Global Forwarding	Ocean freight services, air freight services and customs brokerage	$3.0 billion
All Other	Managed TMS, and other surface transport	$2.12 billion
Total		$17.6 billion

Source: C.H. Robinson

C.H. Robinson’s global revenues were $17.6 billion in 2023, down some 28.7% from $24.7 billion in 2022. Of this, US revenues were $14.8 billion in 2023, accounting for 84% of operations. Their stated “Auto: industrial” revenues are stated as being 16%, which equates to $2.82 billion. However, this includes automotive as well as other ‘industrial’ segments, which we are assuming to be 50% of this reported revenue.

Therefore, we estimate C.H. Robinson’s overall North America automotive inbound logistics revenue to be $1.4 billion.

5.6 CMA-CGM

CMA-CGM is a French container transport and shipping company that serves multiple industry verticals including automotive, retail, energy, healthcare, technology, industrial , and aerospace. CMA-CGM also has equity stakes in at least 56 port terminals around the world.

Elevated container shipping rates from 2020-2022 and the large profits this generated, enabled CMA-CGM to reinvest nearly 90% of their 2022 profits growing its shipping, port, logistics, and air freight capabilities through acquisitions, while strengthening its balance sheet and enhancing its financial flexibility. It also simultaneously invested in sustainability.

In 2019 CMA-CGM started acquiring a share in CEVA Logistics, completing the full integration in 2022. CEVA Logistics is a global logistics and supply chain provider specialising in freight management and contract logistics for multiple sectors: automotive, consumer and retail, e-commerce, energy, healthcare, industrial and aerospace, technology, and showfreight. Capabilities include freight management, contract logistics, support diagnostics, storage centre operations, export compliance and management, and pre-dispatch inspection. See **Table 5.6.**

Table 5.6 CMA-CGM key acquisitions 2019-2023	
Acquisition	**Date**
CEVA Logistics	2019-2022
Gefco	2022
Ingram Micro CLS	2022
Colis Privé	2022
Bollore	2023

Source: CMA-CGM

In January 2023 CMA-CGM also completed the acquisition of Gefco, fully incorporating it within the CEVA Logistics brand. CMA-CGM began and expedited the acquisition in early 2022 in response to the crisis that Gefco was facing because of the Russia-Ukraine war. Gefco's expertise included finished vehicle logistics, overland and contract logistics, industrial services, air and sea, and end-to-end specialised logistics services. In April 2023, Air France-KLM and CMA-CGM officially launched their long-term strategic air cargo partnership. In 2023, CMA-CGM also acquired Bollore Logistics.

However, now that container shipping rates have normalised again, the bonanza appears to be over, and the acquisition spree appears to have slowed.

Table 5.7 CMA-CGM division revenues 2023	
Division	**Revenue**
Maritime	$31.39 billion
Logistics	$15.21 billion
Other	$2.0 billion
Eliminations	-$1.6 billion
Total	$47.0 billion

Source: CMA-CGM

CMA-CGM global revenue was $47 billion in 2023, a drastic fall of 36.9% from $74.5 billion in 2022 primarily because of normalising shipping container rates. However, this primarily affected CMA-CGM's shipping division, while their logistics revenues were only marginally affected.

"Logistics, on the other hand, is proving more resilient and accounts for a significant part of our business" said Rodolphe Saade, chairman and CEO in a statement.

The logistics division comprises warehousing of 9m sq.m; road 2.8m tons; air 0.5m tons; and ocean 1.05m TEU, and 0.5m cu.m of less-than-container load (LCL) freight.

The logistics division globally generated $15.21 billion in 2023, only slightly down on $16 billion in 2022. Considering CMA-CGM, CEVA and former Gefco revenues, we therefore estimate overall CMA-CGM North American automotive inbound logistics revenue to be $0.75 billion annually.

5.7 Union Pacific

Union Pacific Corporation, through its primary operating company Union Pacific, is a Class 1 railroad company operating 7,500 locomotives and 51,500 freight cars on 32,693 miles (52,614 km) of owned track across 23 states, primarily in the western two-thirds of the US. The rail network serves all major West Coast and Gulf Coast ports to eastern gateways, connecting with Canada's rail systems and all six major Mexico gateways. Global freight revenues were $22.6 billion in 2023, down slightly from $24.9 billion in 2022.

Union Pacific has three divisions:

Table 5.8 Union Pacific division revenues 2023, %		
Division	**Revenues**	**Percentage of freight revenues %**
Bulk	$7.36 billion	33%
Industrial	$8.24 billion	36%
Premium	$6.98 billion	31%
Total freight revenues	$22.57 billion	
Other revenues	$1.55 billion	
Total operating revenues	$24.12 billion	

Source: Union Pacific

It is the Premium division that includes Automotive, and Union Pacific states that automotive revenues accounted for $2.42 billion in 2023.

Automotive includes both inbound components, finished vehicles and some aftermarket parts. Union Pacific provides logistics services for Chrysler, Ford and Nissan, amongst others. From this quoted figure we can estimate that Union Pacific has inbound automotive logistics revenue of $0.7 billion and outbound finished vehicle logistics of $1.6 billion, and the remaining $0.12 billion for aftermarket parts.

Union Pacific also owns 26% of Ferromex, with the controlling stake of 74% owned by Grupo Mexico, although as Union Pacific has a minority stake, we have separately quantified Ferromex in the Grupo Mexico company profile.

5.8 DSV

DSV is a Danish transport and logistics provider operating globally across all modes, including road, air, sea freight, rail freight and warehousing. DSV's road operation comprises 20,000 trucks and 30m shipments. Its air operation transports 1.6m tonnes, and sea operations 2.9m TEU. Warehousing totals 7.4m sq.m. Regarding automotive logistics, DSV offers -

- Electrification & Mobility Competence Center (EMC²)
- 3PL and 4PL offerings
- Finished Vehicle Competency Center (VCC)
- Automotive afterparts and service operations
- Inbound
- Warehousing and value-added solutions

Within automotive, DSV states that its clients include 70% of OEMs on the Forbes Global 500 rankings and 85% of tier suppliers on the Automotive News World Top 100 Supplier rankings. DSV provides automotive supply chain solutions for individual parts, components, subassemblies and finished vehicles (albeit mainly low-volume, high-value vehicles) for OEMs and their suppliers, from upstream raw material suppliers to downstream system integrators.

Table 5.9 DSV division revenues 2023

Division	Revenue
Air	$7.26 billion
Sea	$6.08 billion
Road	$5.47 billion
Solutions	$3.32 billion
Eliminations	-$0.5 billion
Total	$21.63 billion

Source: DSV

Table 5.10 DSV key acquisitions 2019-2022

Acquisition	Date	Value
Panalpina	2019	$5.8 billion
Globeflight Worldwide Express	2020	-
Agility Global Integrated Logistics (GIL)	2022	$4.16 billion

Source: DSV

During 2023, DSV also announced an exclusive logistics joint venture with Neom Company, which is planned to start operating during 2024.

DSV has also recently (September 2024) signed a definitive agreement to purchase Deutsche Bahn's logistics division, DB Schenker, for €14.3 billion ($15.9 billion). This acquisition marks the largest in DSV's history and promises to enhance its global reach to new markets and provide long-term growth, job creation and modernisation of workplaces. Until the deal is finalised, DSV and Schenker will continue to operate as separate entities, maintaining their current business operations.

Global DSV revenues were reported as $21.63 billion in 2023, a substantial fall from 2022 where revenues were $35.3 billion. DSV attributes this to lower freight rates and declining volumes in the Air & Sea division.

Around 20% of revenues are from North America which equates to $4.32 billion. Nevertheless, automotive is only a small part of its operations. DSV is a global LSP and is highly diversified, transporting goods across multiple business verticals, including automotive, technology, healthcare, renewable energy, industrial, retail and fashion, aerospace, and defence, as well as fairs and exhibitions.

DSV states that around ~15% of their business is automotive, which equates to North American automotive logistics revenues of $0.65 billion. However, that is inclusive of inbound, small volumes of FVL, and also some aftermarket operations.

Given that context, we estimate DSV's North American automotive inbound logistics revenue to be $0.5 billion annually.

5.9 FedEx

FedEx, based in Memphis, Tennessee, is a global freight company, best known for its express transport and time-critical shipments. FedEx primarily operates across road and air for a wide range of industry sectors, including government, hence its original name Federal Express Corporation.

Table 5.11 FedEx division revenues 2023

Division	Revenue
FedEx Express	$42.74 billion
FedEx Ground	$33.51 billion
FedEx Freight LTL	$9.63 billion
FedEx services	$0.30 billion
Corporate/other	$3.97 billion
Total	$90.15 billion

Source: FedEx

FedEx's global revenue was $90.15 billion in 2023, a slight decline from $93.51 billion in 2022, which FedEx primarily attribute to global volume declines in all of their transport segments, partially offset by yield improvement, including higher fuel surcharges. The vast majority of that revenue was generated within the US ($64.89 billion), compared to internationally ($25.26 billion).

FedEx's automotive logistics offerings focus on the inbound to production, aftermarket and R&D, with particular strengths around dangerous goods such as lithium battery logistics.

For the past 30 years, FedEx has had a long-standing logistics relationship with GM, managing the inbound transport of time-critical shipments from more than 1,500 suppliers to GM powertrain engine, transmission, and component plants.

5.9.1 TNT Express

In 2015, FedEx acquired TNT Express, which has provided contract logistics for automotive, warehouse management, and inbound to manufacturing.

In terms of revenues, we estimate FedEx's North American inbound automotive logistics revenues to be $0.5 billion.

5.10 J.B. Hunt Transport Services

J.B. Hunt Transport Services, based in Lowell, Arkansas, is a transport and logistics provider. The company offers supply chain management and freight services including Intermodal, dedicated fleet management, truckload/less than truckload (LTL), last mile and fulfilment. J.B. Hunt mainly operates large semi-trailer trucks and offers transport services primarily through the eastern half of the US, Canada, and Mexico.

Industries served by the company include retail, general merchandise, food and kindred products, manufacturing, wholesale trade, paper and allied products, electrical equipment, chemical and allied products, transportation, and other industries.

J.B. Hunt's global revenues were reported as $12.83 billion in 2023, a notable drop from $14.8 billion in 2022. Across the various divisions, the revenue breakdown is as follows:

Table 5.12 J.B. Hunt division revenues 2023

Division	Revenue
Intermodal (JBI)	$6.2 billion
Dedicated (DCS)	$3.5 billion
Integrated (ICS)	$1.4 billion
Truckload (JBT)	$0.8 billion
Final Mile	$0.9 billion
Total	£12.83 billion

Source: J.B. Hunt

Table 5.13 J.B. Hunt acquisitions 2023-2024

Acquisition	Date	Value
Zenith Freight Lines, LLC (Zenith)	2022	$87.1 million
Alterri Distribution Center, LLC	2022	$31 million
BNSF Logistics, LLC (BNSFL)	2023	$81.2 million

Source: J.B. Hunt

From January 1, 2024, BNSF teamed up with Grupo México Transportes (GMXT) and J.B. Hunt Transport Services for intermodal cross border services between the US and Mexico.

J.B. Hunt claims to own and operate the largest intermodal fleet in North America, with more than 117,000 containers and nearly 7,000 trucks.

"This new service offering will provide resilient, cross-border solutions that give our customers optionality to support their growing supply chain needs in Mexico," said J.B. Hunt's CEO John Roberts.

"The cost savings and sustainability benefits of intermodal service are proven, and we're proud to collaborate with our rail providers BNSF and GMXT to bring this robust service offering to reality."

In November 2023, BNSF and J.B. Hunt announced the launch of a premium intermodal service called Quantum which they said would improve delivery with "consistency, agility and speed" for the transport of road freight using rail.

Representatives from both companies will form the Quantum team, based at a new Intermodal Innovation Center at BNSF headquarters in Fort Worth, Texas. Team members will handle planning, execution, oversight, and exception management.

BNSF said users of Quantum could expect a 95% on-time delivery service approximately a day faster than traditional intermodal services.

"Quantum allows customers with service-sensitive freight to benefit from the cost savings of intermodal, while reducing their carbon footprint and maintaining the level of service and consistency needed in their supply chains," added Darren Field, president of intermodal at J.B. Hunt.

The acquisition of BNSF Logistics (BNSFL) in 2023 also appears to have increased J.B. Hunt's involvement in automotive logistics.

Their annual report state that 4% of overall revenues are now derived from the transport industry. Therefore, we estimate J.B. Hunt Transport Services' North American automotive inbound logistics revenues to be $0.5 billion.

5.11 Total Quality Logistics

Total Quality Logistics (TQL) based in Cincinnati, Ohio claims to be the second-largest freight brokerage firm in the US, and the largest privately held freight brokerage company in the US. TQL connects customers with carriers with a network of more than 140,000+ carriers that have the available capacity and service offerings.

The company offers a range of logistics services including:

- Full truckload (FTL)
- Less than truckload (LTL)
- Intermodal
- Drayage
- Air
- Ocean

TQL also offers drop-trailer services, customs brokerage and other specialized logistics services, as well as load-tracking technology.

Total Quality Logistics' total revenue was reported as reaching $6.87 billion in 2023.

The company's total volumes have been stated as 3 million+ loads per year in 2022, and 280,000 of those were automotive loads per year. Therefore, we can deduce that automotive is approx. 9% of the business. However not all of this is inbound, with some being aftermarket / service part logistics.

We therefore estimate that Total Quality Logistics' overall North American automotive inbound logistics revenue to be $0.5 billion annually.

5.12 DP World

DP World provides services across four main areas: operating ports and terminals, logistics, marine services and economic zones. DP World is one of the world's largest port operators with global revenues of $18.25 billion in 2023, a slight increase from $17.1 billion in 2022, in part because of recent acquisitions contributing to topline revenues.

Global capacity was 94m TEUs in 2023. DP World primarily serves the automotive, oil and gas, and energy industries. The subsidiary DP World Logistics achieved revenues of $7.92 billion in 2023, an increase from $6.86 billion in 2022.

The division provides services globally such as contract logistics, freight forwarding, market access, and freight management. It is believed that around 5% of all throughput at DP World's terminals is related to the automotive sector. This equates to $0.91 billion globally. However, only 30% of that revenue relates to North America. We therefore estimate that DP World's logistics division generates North American automotive inbound logistics revenues of $0.27 billion.

However, beyond the core logistics division, DP World has recently made some key acquisitions, which increases its reach into automotive logistics.

In 2021 DP World acquired 3PL operator Syncreon, a US-based logistics provider of supply chain solutions focused on automotive, technology, consumer home products, industrial, healthcare, and medtech verticals.

Within automotive Syncreon have clients including Audi, BMW, Daimler, Ford, Harley Davidson, Jaguar Land Rover, Stellantis ,and Volkswagen Group.

Syncreon achieved revenues of $1.28 billion in 2022, around 50% of which was derived from North America, which equates to $0.64 billion. Given the industry verticals, we therefore estimate that Syncreon's North American automotive inbound logistics revenue to be $0.19 billion.

Overall, combined with these acquisitions, we estimate DP World's overall North American automotive inbound logistics revenue to be $0.46 billion.

Table 5.14 DP World acquisitions 2019-2024

Acquisitions	Date	Value
P&O Ferries	2019	
Unifeeder	2019	
Unico Logistics	2020	-
Transworld feeders / Feedertech	2020	--
Syncreon	2021	$1.2 billion
Imperial Logistics	2022	$890 million
J&J Group	2022	-
CFR Rinkens	2023	
Cargo Services Far East	2024	$300 - $400 million

Source: DP World

5.13 Schneider National

Schneider National, based in Green Bay, Wisconsin, is a provider of truckload, intermodal and logistics services with 240 facilities operating across the world. Schneider deploy 11,650 company drivers, with a fleet of 10,600 company trucks, 47,300 trailers, 27,430 intermodal containers, and 23,800 intermodal chassis.

Schneider claims that its client base includes more than two-thirds of Fortune 500 companies. Schneider National global revenues amounted to $5.5 billion 2023, a modest contraction from $6.6 billion in 2022.

Schneider National's logistics offerings include dedicated, brokerage, long-haul, regional, expedited, international, warehousing, port drayage, and power.

Table 5.15 Schneider National division revenues 2023

Division	Revenue
Truckload	$2.156 billion
Intermodal	$1.051 billion
Logistics	$1.394 billion
Other	$0.333 billion
Fuel surcharge	$0.684 billion
Eliminations	-$0.119 billion
Total	$5.499 billion

Source: Schneider National

Schneider National states that 9% of their revenues are automotive related. Therefore, we estimate that Schneider National's North American automotive inbound logistics revenue to be $0.45 billion.

5.14 SNCF

SNCF, based in France, is the country's state-owned rail company. SNCF reported revenues of $45.5 billion in 2023. Geodis, a subsidiary of SNCF, specialises in transport and 3PL services that are relevant to automotive logistics.

5.14.1 Geodis

With a global network in 170 countries and over 49,400 employees, Geodis generated revenues of $14.9 billion in 2023, a slight fall from $15.2 billion in 2022, due to normalising freight rates, and a slowing market with declining volumes. Geodis has five business divisions: Supply Chain Optimization, Freight Forwarding, Contract Logistics, Distribution & Express, and Road Transport. Those lines operate across all continents, with a direct presence in 60+ countries and a global network covering 168 countries. A number of recent key acquisitions are a strategy to transition Geodis into becoming an even more global logistics company.

Table 5.16 Geodis acquisitions 2015-2023

Acquisition	Country	Details	Year
OHL Group			2015
Pekaes	Poland	Freight / passenger road carrier	2021
Gandon Transports	France	Temperature-controlled pharmaceutical	2021
Transports Perrier	France	Specialist in palletised loads	2021
Need It Now Delivers	USA	Contract logistics and last mile delivery/urban logistics, automotive	2022
Keppel Logistics	Singapore	Contract logistics and e-commerce services	2022
trans-o-flex	Germany	Controlled-temperature pharma / healthcare	2023
ITS	Switzerland	Freight forwarding	2023
Southern Companies	US	Transport provider serving ports in the US	2023
Transports Devoluy	France	Freight transporter	2023

Source: SNCF

Geodis industries served include aerospace and defence, automotive and mobility, FMCG, healthcare, high-tech, and retail. Geodis automotive logistics services include campus solutions, linefeed operations, flow management, CKD/SKD operations, multimodal and cross-border transport, packaging and container management, pick and pack services, and sub-assembly.

Although Geodis has been strongly European focused, it is estimated that with acquisitions such as Ozburn-Hessey Logistics (OHL Group) and 2022's acquisition of Need It Now Delivers, that Geodis now has North American logistics revenues of around $4.3 billion, and of that approximately $0.4 billion is believed to be automotive inbound logistics.

5.15 Expeditors International

Expeditors International, based in Washington is a global transport provider of ocean and airfreight forwarding, customs brokerage and supply chain consulting services.

Expeditors International global revenues amounted to $9.3 billion in 2023, a drastic fall from $17.0 billion in 2022 reflecting exposure to normalising freight rates and lower volumes. North America revenues accounted for $3.75 billion in 2023, compared to $5.38 billion in 2022.

Table 5.17 Expeditors International division revenues 2023

Division	Revenue
Air freight	$3.25 billion
Ocean freight	$2.36 billion
Customs brokerage	$3.69 billion
Total	$9.30 billion

Source: Expeditors International

The industries that Expeditors International serve includes automotive, aerospace and defence, fashion and apparel, food and beverage, healthcare, retail, oil and energy, manufacturing, and technology (computers and electronics).

Within the automotive space more specifically, Expeditors International provide logistics services for inbound parts, aftermarket and finished vehicles by air.

Given the large fall in their global and regional revenues, we estimate that Expeditors International's North America automotive inbound logistics revenues to be $0.4 billion.

5.16 MSC

The Mediterranean Shipping Company (MSC) is the world's largest container shipping line and controls 830 vessels operating globally across 300 routes.

Based in Geneva, MSC is a privately owned company and does not therefore publish annual reports or provide its financial results to the public. However, recently, its total revenues were revealed during a bidding process for a 50% stake in Italian passenger rail operator Italo. MSC revenues are therefore believed to have reached $91 billion in 2023.

MSC ships agriculture, automotive, chemicals and petrochemicals, food and beverages, mining and minerals, pharmaceuticals, plastic and rubber products, pulp, paper and forestry products, retail, and other products.

In terms of automotive, the company has a strong involvement, providing inbound logistics, CKD (completely knocked down), SKD (semi knocked down) and CBU (completely built up), FVL (finished vehicle logistics) and battery logistics.

In June 2024, Shipping Agencies Services Sárl (SAS), a subsidiary of MSC acquired a majority 97% stake in Gram Car Carriers for a value around $693.3m. Gram Car Carriers is believed to have 17 PCTC vessels. The investment is a significant move into the PCTC segment. MSC states that it already owns two car carriers and also transports vehicles in containers. Gram will operate as a subsidiary of MSC.

Despite MSC's large overall revenue, automotive accounts for a small share of the company's operations. We therefore estimate that MSC's North American automotive inbound logistics revenue to be $0.4 billion and its automotive outbound finished vehicle logistics revenue to be $0.2 billion.

5.17 Norfolk Southern

Norfolk Southern Corporation is based in Atlanta, Georgia. It maintains rail track and operates railroad services across the US eastern seaboard and also Canada. The corporation's main subsidiary, Norfolk Southern, primarily provides intermodal rail freight.

Total Norfolk Southern Corporation revenues amounted to $12.16 billion in 2023, only a slightly reduction from $12.7 billion in 2022.

The industries served by Norfolk Southern Corporation are divided into three main groups:

Table 5.18 Norfolk Southern groups and industries served (Units, Revenue)

Grouping / industries served	Units	Revenue
Merchandise • **Agriculture: forest, food, and consumer products** • **Chemicals: petroleum products including crude oil, and natural gas** • **Metals and construction steel, aluminium, cement etc.** • **Automotive includes finished vehicles and automotive parts**	**2.25m carloads**	**$7.35 billion**
• **Intermodal commodities moving in containers and trailers.**	**3.82 m intermodal units**	**$3.09 billion**
Coal	**677 carloads**	**$1.71 billion**
Total		**$12.16 billion**

Source: Norfolk Southern

Automotive-related logistics revenues were stated as $1.135 billion in 2023. However, automotive logistics revenues includes both finished vehicles and automotive parts. We therefore estimate that Norfolk Southern's North American automotive inbound component logistics revenues to be $0.38 billion in 2022 and their North American finished vehicle logistics revenues $0.75 billion.

5.18 Maersk

Maersk is a Danish container shipping company operating globally and diversified across multiple industry verticals, including automotive, chemicals, electronics, fashion and lifestyle, FMCG, retail, and technology.

Maersk operates 670+ vessels (approx. 50% owned) with total capacity of 4.1m TEU. As with all shipping companies, global Maersk revenues were $51.06 billion in 2023, a dramatic fall from $81.5 billion in 2022 and this was predominantly in their ocean division because of the normalising container shipping rates in the aftermath of Covid. Maersk's Logistics and Services division generated $13.91 billion.

Table 5.19 Maersk division revenues 2023

Division	Revenue
Ocean	$33.65 billion
Logistics & services	$13.91 billion
Terminals	$3.84 billion
Towage & Maritime services	$2.16 billion
Eliminations	-$2.50 billion
Total	$51.06 billion

Source: Maersk

However, Maersk has clearly indicated that its strategy is to shift the emphasis away from being 'just a container shipping company', from where it derives around 80% of its current revenue stream. The company aims to move to more landside activity so that the balance is nearer to 50:50.

During the 2020-2022 Covid pandemic, the explosion in container freight rates allowed Maersk to generate tremendous profits from its shipping business. This enabled the company to go on an acquisition spree, announcing more than $7.7 billion of acquisitions over the 2020-2022 period.

Maersk has rapidly developed and expanded its land-based logistics operations. However, with container freight rates now returning to pre-pandemic levels, albeit with some price volatility, that bonanza now appears to be over.

Table 5.20 Maersk acquisitions 2020-2022

Acquisitions	Date	Value
MGH Customs Services	2020	€264m
Performance Team	2020	€512m
Visible Supply Chain Management	2021	€788m
B2C Europe Holding	2021	€81m
HUUB	2021	-
Senator International	2021	€605m
Pilot Freight Services	2022	€1.58 billion
LF Logistics	2022	€3.4 billion
Martin Bencher Group	2022	€57m

Source: Maersk

Within the automotive space, as with other verticals, Maersk is also keen to become more of an end-to-end LSP. For example, Maersk specialises in EV battery logistics, and is involved across the supply chain, all the way upstream, and downstream in the aftermarket and reverse logistics sectors.

Maersk has stated it has 150,000 sq.m of logistics space across Mexico, with warehouses located in Mexico City, Tijuana, and Cuautitlán, and depots located near the ports in Lázaro Cárdenas and Manzanillo.

The company also has ambitious plans for expansion, with additional capabilities in Guadalajara and Monterrey. It also plans to expand its landside capabilities, aimed at providing customers with solutions to facilitate Mexico-US cross-border trade, as the new facility indicates.

Maersk is also collaborating with Hapag-Lloyd on a long-term operational partnership called Gemini Cooperation, which it said will offer a more connected and reliable ocean service in the face of supply chain disruption, as seen with restrictions to traffic through Suez and Panama canals.

Together the maritime logistics giants aim to combine fleet operations to establish a global network with a more dependable schedule and better transit times, as well as a reduced carbon footprint. The companies will implement the network at the beginning of February 2025.

And as part of the longer-term shipping industry push to decarbonise, Maersk has also forged collaborative alliances with competitor CMA-CGM to accelerate the implementation of alternative fuels in shipping such as liquefied natural gas (LNG), bio/e-methanol and bio/e-methane fuels.

"AP Moller-Maersk wants to accelerate the green transition in shipping and logistics and to do so, we need strong involvement from partners across the industry. We are pleased to have an ally in CMA CGM and it's a testament that when we unite through determined efforts and partnerships, a tangible and optimistic path toward a sustainable future emerges"

Vincent Clerc, CEO, AP Moller-Maersk

Maersk's North American revenues were $12.82 billion in 2023, 25% of total revenues (which were $22.2 billion (27%) in 2022). We estimate that Maersk's North American Logistics & Services division revenues are $3.5 billion. Given the range of logistics services that Maersk provides across a diverse range of industry verticals, we estimate that automotive accounts for 10% of business. We estimate that Maersk's North American automotive inbound logistics revenue to be $0.35 billion annually.

5.19 CSX Corporation

CSX Corporation is based in Jacksonville, Florida, US and provides rail-based transport services including transport of intermodal containers and trailers and finished vehicles. CSX operates primarily in the eastern half of the US and Canada. The network adds up to around 20,000 route miles (32,000+ km) of track across 23 states.

CSX serves multiple industries including agricultural, automotive, bioenergy, building materials, chemicals, coal, fertilizer, food products, machinery, manufactured goods, metals, military, minerals, oil, gas and drilling materials, ores, paper, pulp and fibre products, transport equipment and waste.

In terms of automotive logistics, the company operates in four main areas: total distribution services (TDSI) , freight damage prevention, finished vehicle distribution, and inbound parts distribution.

CSX claims that it transports nearly one-third of all light vehicles produced in North America. CSX also states that it handles over 5m vehicles annually through its North American network.

CSX's global revenues were $14.66 billion in 2023, only a very slight decline from $14.8 billion in 2022. Company reports state that 59% of revenues were merchandise, and 14% of that is automotive. Therefore, automotive revenues are stated as $1.219 billion in 2023.

We estimate CSX's North American automotive inbound logistics revenue to be $0.35 billion and its North American automotive outbound vehicle logistics revenue to be $0.87 billion.

5.20 Carter Logistics

Based in Anderson, Indiana, Carter Logistics is a road-based logistics provider offering end-to-end supply chain management with a truck network that spans the eastern half of North America, including strong intra-Mexico operations. Carter logistics is believed to generate revenues of $390m per year.

The company serves four main industries, automotive, retail, pharmaceuticals, and packaged food and beverages.

Carter Express, its sister brand, owns and operates 800 company trucks, 1,600 trailers and 100 owner operators. Carter Express claims to be responsible for the largest automotive shared milkrun network in the US.

The Logisteed Mexico, subsidiary operates truckload, LTL, shared and dedicated milkruns inside of Mexico.

Around 70% of Carter Logistics' customers are automotive and they include clients such as Toyota. We therefore estimate that Carter Logistics' North American automotive inbound logistics revenue to be $0.30 billion annually.

5.21 Penske Corporation

Penske Corporation is a highly diversified group that owns Penske Automotive Group, Carshop, Premier Truck Group, Penske Truck Rental, Penske Truck Leasing, Penske Logistics, Penske Vehicle Services and Penske Entertainment. The company operates globally across North America, Europe, and Asia, albeit with the majority of operation in the US and wider North America.

5.21.1 Penske Logistics

Penske Logistics provides supply chain and logistics management with operations in North America, South America, Europe and Asia. Penske Logistics provides a wide array of services, including supply chain management, dedicated contract carriage, freight management, transport services, warehouses and distribution, and freight brokerage. Penske Logistics serves the automotive, chemical, consumer products, food and beverages, healthcare and pharmaceuticals, high tech and electronics, industrial manufacturing, publishing and packaging, and retail sectors.

Global Penske Corporation revenues achieved $39 billion in 2022.

Penske logistics business generated $4.4 billion in 2023.

Give the wide range of industries served, we therefore estimate that Penske's North American automotive inbound logistics revenues in 2023 to be $0.3 billion.

5.22 Deutsche Bahn (DB) Group

Deutsche Bahn (DB) Group is a German state-owned rail group with overall revenues of $49.3 billion in 2023. DB Group attributes declining revenues and profits in the first half of 2023 to market conditions and significantly lower air and ocean freight rates.

Although DB Group operates globally, the large majority of revenues are generated within Germany (58%) and for Europe overall, including Germany (85%). The primary business is passenger rail, but there are also multiple divisions specialising in different areas. The rail divisions include DB Long-Distance, DB Regional, DB Netze Track, DB Netze Stations, and DB Netze Energy.

Their road-based operations involve DB Arriva and DB Schenker (which DSV is in the process of talking over). It is primarily DB Cargo that provides rail-based automotive freight logistics (primarily in Europe) and DB Schenker that provides road, sea, and air-based automotive logistics services.

DB Group North America accounts for 8% of revenues equating to $4.0 billion in 2023.

DB Schenker global revenues were $20.8 billion in 2023.

DB Schenker is the road, sea, and air-based logistics subsidiary of Deutsche Bahn Group but as indicated in the above section on DSV, the Dutch logistics provider is in the process of buying DB Schenker for €14.3 billion ($15.9 billion)DB Schenker serves a very wide range of industry verticals outside of automotive, including: aerospace and defence, automobility, battery, beverages, cloud computing, consumer, electronics, fashion and retail, healthcare, industrial, marine parts, perishables, oil and gas, recyclables, semiconductor and solar.

For at least a year, DB Group has been trying to divest the DB Schenker logistics division, to reduce DB Group's debt and focus more on DB Group's core rail business. At the time of writing, the shortlist of bidders had reduced down to two: CVC Capital Partners and DSV, and notably these are shipping carriers looking to diversify from their core shipping business into more multi-modal operations and end to end solutions.

5.22.1 DB Schenker America

In the Americas, DB Schenker provides integrated logistics service providers in 123 locations providing over 2.5m sq.m of distribution operations to its clients.

Therefore, we estimate DB Group's North American automotive inbound logistics revenues to be $0.3 billion.

5.23 XPO

Based in Greenwich, Connecticut, XPO is one of the largest providers of transport and logistics services in North America and Europe, with approximately 39,000 employees and 610 locations serving 52,000 customers globally.

The company serves industrial, trade and consumer sectors, providing full truckload/LTL, managed transport, last mile, global forwarding and event solutions. XPO also offers multimodal services, such as road-rail and road-short sea combinations. It has one of the largest LTL transport networks in North America.

In 2021, XPO sold off its GXO contract logistics business unit and in 2022 it also spun off the RXO brokerage business unit. In December 2023, XPO acquired 28 service centres of bankrupt Yellow Corporation for $870m.

Globally, XPO generated total revenue of $7.74 billion in 2023.

XPO's total North American LTL revenues were $4.67 billion in 2023 Its main client base is in consumer, retail and industrial, with automotive a relatively small part of their operations, with only Ford stated as a major automotive client. We therefore estimate $0.3 billion of XPO's revenues to be derived from North America automotive inbound logistics.

5.24 Hyundai Glovis

Headquartered in South Korea, Hyundai Glovis is primarily a maritime shipping company that operates globally as an inbound and FVL provider mainly for Hyundai Motor Group vehicles (including Kia), but also providing services for BMW, FCA, Ford, GM, Mercedes, Nissan, Renault, Tesla and VW. In 2010, just 12% of its vehicle shipping orders were from outside the Hyundai Motor Group, but by 2021, this figure had increased to 61%,till with a strong emphasis upon ocean shipping.

Hyundai Glovis is a now more diversified and a global provider of 3PL integrated logistics services such as transport, storage/unloading, international logistics, logistics equipment rental and packaging services.

In November 2023, Hyundai Glovis announced it was investing $1.89 billion in 12 dual-fuel car carrier vessels that will be able to run on liquified natural gas (LNG). Each ship will be able to carry 10,800 car equivalent units (CEUs) making them the world's largest pure car and truck carriers (PCTCs).

Table 5.21 Hyundai Glovis acquisitions 2014-2019

Company	Year	Description
Adampol	**2014**	**A Polish logistics provider specialising in transport and logistics services. Adampol's clients include Fiat, Ford, Hyundai, Iveco, Mercedes-Benz, Mitsubishi, Skoda, Suzuki, Tesla and VW.**
Stena-Glovis JV	**2019**	**A 50:50 joint venture (JV) of Stena Line and Hyundai Glovis. Globally, the JV operates 84 PCTC, 38 ferry/ro-ro vessel, and ships 5m cars annually.**

Source: Hyundai Glovis

Globally, Hyundai-Glovis states that it handles over 3.4m finished vehicles per year, utilising 82 PCTC vessels.

Globally, Hyundai Glovis achieved revenues of $18.84 billion in 2023. Hyundai Glovis has three reportable divisions: Logistics (inland), Shipping and Distribution.

Table 5.22 Hyundai Glovis division revenues 2023		
Division	**Global revenue**	**Operations**
Logistics (inland)	**$6.62 billion**	**Finished vehicle logistics, container and air transport**
Shipping	**$3.09 billion**	**Pure Car & Truck Carrier (PCTC), Bulk shipping**
Distribution	**$9.13 billion**	**Complete knock down (CKD) Autobiz, (e.g. used cars) other e.g. metals**
Total	**$18.84 billion**	

Source: Hyundai Glovis

North America revenues are stated as 11.4% of total = $2.1 billion, and with a particular focus on three main industries: automotive, consumer packaged goods (CPG) and industrial.

Glovis America modes and services include ocean freight, ground freight, air freight, project cargo, customs, warehouse and distribution, and logistics consulting.

Glovis America provides both automotive inbound and automotive FVL services and the company is investing in logistics capabilities to support EV value chains, and the recycling and repurposing of electric vehicle batteries.

We estimate that Hyundai Glovis' overall North America automotive inbound logistics revenue to be $0.3 billion annually.

5.25 UPS

UPS based in Atlanta, Georgia is one of the world's largest package delivery companies and a leading provider of global supply chain management solutions.

Total revenue in 2023 was $91 billion, a decrease of 9.3% from 2022 results. The US revenues amounted to $71.75 billion in 2023 illustrating the strong (79% US) domestic focus of the business.

Services include international air and ocean freight forwarding, transportation and delivery, distribution, contract logistics, customs brokerage, truckload brokerage, post-sales services and insurance.

Its strategy has been to broaden reach and services, with some recent acquisitions including:

Table 5.23 UPS recent acquisitions 2022-2024	
Acquisition	**Date**
Bomi Group	**2022**
MNX Global Logistics	**2023**
Happy Returns	**2023**
Estafeta	**2024**

Source: UPS

Primarily a domestic package company, UPS broadly has three reportable divisions, as follows -

Table 5.24 UPS division revenues 2023	
Acquisitions	**Date**
Next day air	**9,894**
Deferred	**5,093**
Ground	**44.971**
US Domestic package	**59,958**
Domestic	**3,144**
Export	**14,003**
Cargo & Other	**684**
International package	**17,831**
Forwarding	**5,534**
Logistics	**5,927**
Other	**1,708**
Supply chain solutions	**13,169**
Global	**90,958**

Source: UPS

UPS's involvement in automotive logistics sits within their Supply Chain Solutions business which includes forwarding, logistics, digital and other business.

UPS's automotive logistics services are focused primarily on inbound automotive logistics, aftermarket/service parts logistics, as well as reverse logistics.

Their automotive logistics business is estimated to be around 4% of their supply chain solutions business.

Therefore, we estimate that UPS's North American inbound automotive logistics revenues to be $0.3 billion, and their North American automotive service parts logistics to be $0.3 billion.

5.26 RXO

Originally part of XPO group, RXO was spun-off and became a fully independent company in 2022. RXO is a brokered transport company with an asset-light business model, with the largest division being their truck brokerage business. Total revenues were $3.93 billion in 2023, a notable reduction from $4.8 billion in 2022.

RXO's revenue splits by industry vertical as reported as follows:

Table 5.25 RXO revenues by industry 2023

Industry	Revenue
Retail/e-commerce	$1,533m
Food and beverage	$438m
Industrial/manufacturing	$743m
Logistics and transportation	$197m
Automotive	$411m
Other	$605m
Total	$3,927m

Source: RXO

The vast majority, around 93%, of RXO revenues are in the US, primarily in Canada, Mexico, and in Asia. Of the automotive revenues of $0.41 billion, North America accounts for $0.38 billion.

The majority of those automotive revenues are thought to be inbound logistics. We can therefore estimate that RXO's North American automotive inbound logistics to be $0.28 billion, and RXO's North American outbound finished vehicle logistics to be $0.1 billion.

5.27 Kuehne + Nagel

Based in Switzerland, Kuehne + Nagel is a global transport and logistics company which provides a variety of logistics services across its segments of sea, road, air and contract logistics. Global Kuehne + Nagel revenues were $29.18 billion in 2023, a drastic fall from $48.2 billion in 2022. This occurred primarily within their sea and air logistics divisions where freight rates greatly reduced and normalised from the Covid era highs.

Table 5.26 Kuehne + Nagel division revenues 2023

Industry	Revenue
Sea logistics	$11.03 billion
Air logistics	$8.29 billion
Road logistics	$4.54 billion
Contract logistics	$5.73 billion
Eliminations	-$0.41 billion
Total	$29.18 billion

Source: Kuehne + Nagel

Table 5.27 Kuehne + Nagel acquisitions 2021-2022

Acquisition	Date	Country
Salmosped AS 2021	2021	Norway
Apex International	2022	Asia

Source: Kuehne + Nagel

The major industries Kuehne + Nagel serves are consumer packaged goods, food and beverage, and retail. Other industries served include aerospace and defence, automotive, computers and electronics, industrial and manufacturing, forest and paper products, health care, oil and gas.

Within automotive, Kuehne + Nagel offer inbound, production, after-sales, packages services, tyre logistics, reverse logistics, and finished vehicle logistics.

Kuehne + Nagel's North America revenues amounted to $9.0 billion in 2023, a dramatic fall from $16.8 billion in 2022, (35% of revenues) and in 2023 now constituting 30% of total revenues. In North America, Kuehne + Nagel mainly runs ocean and airfreight forwarding operations, and therefore their road fleets are relatively small.

We estimate that Kuehne + Nagel's North American inbound automotive logistics revenues to be $0.25 billion, and Kuehne + Nagel's North American outbound finished vehicle logistics revenues to be $0.15 billion.

5.28 Ascent Global Logistics

Ascent Global Logistics, headquartered in Belleville, Michigan, US, is a global provider of expedited, time-critical logistics solutions, supply chain solution services, and other direct transportation services.

Ascent Global Logistics' total revenue is over $2.5 billion with over 4,000 customers and 1,000 employees.

In August 2023, Investment company H.I.G. Capital acquired Ascent Global Logistics from affiliates controlled by Elliott Investment Management.

Ascent Global Logistics primarily serves the automotive, industrial and manufacturing, food and beverage industries, as well as aerospace and defence, building products, chemicals, consumer packaged goods, computers and electronics, durable goods, fashion and apparel, forest and paper

products, government, healthcare, office equipment, oil and gas, publishing, retail, rubber and plastic products, and telecommunications. Within automotive, Ascent Global Logistics provides inbound logistics services for Ford, GM, John Deere, and Yanfeng.

Given the wide range of industries the company serves we estimate Ascent Global Logistics' North American automotive inbound logistics revenues to be $0.25 billion.

5.29 BNSF Railway

BNSF Railway based in Fort Worth, Texas, is one of North America's leading freight transport companies, with a fleet of ~7,600 locomotives operating on a rail network of 32,500 miles (52,300 km) across 28 states, primarily in the central and western US, three Canadian provinces, and some to Mexico.

Global revenues amounted to $23.87 billion 2023, only a slight contraction from $25.88 billion in 2022. Since 2010, BNSF Railway has been owned by Berkshire Hathaway.

BNSF Railway transport a wide variety of goods. See **Table 5.28** and includes automotive in its Industrial Products division which relates to inbound automotive components. Finished vehicles are included within its Consumer Products division.

Table 5.28 BNSF division revenues 2023

Industry	Revenue
Agricultural Products	$5.583 billion
Consumer Products	$7.879 billion
Industrial Products	$5.690 billion
Coal	$3.795 billion
Other	$0.929 billion
Total	$23.87 billion

Source: BNSF

From the 1st of January 2024, BNSF teamed up with Grupo México Transportes (GMXT) and J.B. Hunt Transport Services for intermodal cross border services between the US and Mexico.

"Our organisations are committed to growth in Mexico and this joint service offering is a direct reflection of that commitment," said Katie Farmer, BNSF president and CEO. "By utilising the capacity and expertise of the largest intermodal railroad in the US, the largest railroad in Mexico, and the largest domestic intermodal carrier, this product will seamlessly connect the North American intermodal network."

In November 2023, BNSF and J.B. Hunt announced the launch of a premium intermodal service called Quantum which they said would improve delivery with "consistency, agility and speed" for the transport of road freight using rail.

Representatives from both companies will form the Quantum team, based at a new Intermodal Innovation Center at BNSF headquarters in Fort Worth, Texas. Team members will handle planning, execution, oversight and exception management.

BNSF said users of Quantum could expect a 95% on-time delivery service approximately a day faster than traditional intermodal services.

In terms of North American inbound automotive logistics, BNSF Railway states that within its Consumer Products segment it transports 4.76m tons per year.

For BNSF Railway, we estimate its North American automotive inbound component logistics business generates $0.20 billion a year.

5.30 Canadian Pacific Kansas City Limited (CPKC)

Canadian Pacific Kansas City Limited (CPKC) is the result of Canadian Pacific Railway's (CP) $31 billion acquisition of Kansas City Southern Railway in December 2021. On April 14, 2023, the railroads formally merged to form the new company entity CPKC.

The combined networks now comprise 20,000 miles of rail across the three countries and is the first and only to directly serve Canada, Mexico and the US.

Table 5.29 Canadian Pacific Kansas City Limited (CPKC) division revenue 2023

Division	Industries served	Revenue
Bulk	Grain	$2,496 million
	Coal	$859 million
	Potash	$566 million
	Fertilizers & Sulphur	$385 million
Merchandise	Forest Products	$696 million
	Energy, Chemicals & Plastics	$2,301 million
	Metals, Minerals and Consumer Products	$1,579 million
	Automotive	$934 million
Intermodal	Intermodal	$2,465 million
Total		$12,281 million

Source: Canadian Pacific Kansas City Limited

Canadian Pacific Kansas City Limited's global revenue was $12.28 billion in 2023, an increase from 2022 revenues due to the now merged operations of both companies.

Automotive is stated as 8% of freight revenues, equating to $0.934 billion in 2023.

In terms of automotive logistics CPKC's Automotive operations consists of finished vehicles originating from Canadian production facilities in Ontario, the U.S., Mexico, and from overseas imported through the port of Vancouver. Finished vehicles are primarily shipped to Canada, the US, and Mexico. CPKC also ships automotive parts, machinery, and pre-owned vehicles.

Therefore, because not all of the stated automotive revenues are related to inbound logistics, CPKC's North American automotive inbound logistics revenue is estimated to be $0.2 billion.

5.31 Hapag-Lloyd

Hapag-Lloyd is a leading container shipping company that operates 266 vessels globally across 600 ports and 110 liner service routes.

Global revenue was $19.364 billion in 2023, and dramatically halved from $37.306 billion in 2022. This demonstrated Hapag-Lloyd's almost 100% exposure to the falling container shipping rates the industry has experienced over the past few years.

The company does offer inland services via truck, train and barge but these operations are relatively small accounting for less than 1% of revenues.

The company ships agriculture, automotive, chemicals, electronics, foodstuff & beverages, furniture, machinery, metals and minerals, paper and forest products, textiles and other products.

The company states that 6% of volumes are automotive and according to their trade routes, North America and surrounding waters account for around 16% of its global trade.

Hapag Lloyd acquired Chilean company SAAM Ports S.A. and SAAM Logistics S.A. in 2023.

Therefore, we estimate that Hapag Lloyd's North American automotive inbound logistics revenue to be $0.2 billion.

5.32 Other North American automotive inbound logistics companies

Table 5.30 Other North American automotive inbound logistics companies

ArcBest Corporation
Canadian National
Crane Worldwide Logistics
Dachser
Delta Automotive Services
Deluxe Auto Carriers
Hellman Worldwide
Neovia Logistics Services LLC
Nippon Express
Orbis
Pacific Logistics Group
Proficient Auto Transport
SAIC Anji logistics
Salem Carriers
Sierra Mountain Group
SNCF
Swift Transportation
Toyota Logistics Services (TCS)
Tradepoint Atlantic
Transfast Logistics
Tribeca Automotive
Unipart Logistics
UPS
US Auto Logistics
Wallenius Wilhelmsen Logistics
Yusen Logistics

Source: Automotive Logistics

6. Leading North American automotive outbound finished vehicle logistics (FVL) companies

Table 6.1 Leading North American automotive outbound FVL companies 2023

Company	FVL assets / fleet	Mode (s)	Global revenue 2023	North American outbound FVL automotive revenue 2023*
Union Pacific Corporation	7,500 locomotives and 51,500 freight cars on 32,693 miles of owned track across 23 states	Rail	$22.6 billion	$1.60 billion
Canadian National Railway	18,800-mile rail network across Canada, and the American mid-west. Transports 1.6 million vehicles a year	Rail	$16.8 billion	$0.88 billion
CSX Corporation	20,000 route miles of track across 23 states. Transports 5 million vehicles a year	Rail	$14.66 billion	$0.87 billion
Norfolk Southern	20,000 route miles, 3,278 locomotives 40,470 freight cars	Rail	$12.16 billion	$0.75 billion
Wallenius Wilhelmsen	128 vessels, servicing 15 trade routes to six continents, 121 in-land processing centres, 9 marine terminals. Processes 6.3 million vehicles a year	Multimodal	$5.149 billion	$0.62 billion
Hyundai Glovis Worldwide	119 vessels (82 PCTC), Globally handles over 3.4 million finished vehicles Glovis America 2 million vehicles	Multimodal	$18.84 billion	$0.6 billion
Canadian Pacific Kansas City Limited	20,000 route miles 2,421 units	Rail	$12.28 billion	$0.5 billion
BNSF Railway	Fleet of ~7,600 locomotives operating on a rail network of 32,500 miles across the US, Canada and Mexico.	Rail	$23.87 billion	$0.44 billion
Jack Cooper Transport	1,400 trucks Transport approximately 4 million finished vehicles a year.	Road	$0.58 billion	$0.4 billion
United Road	>2,000 trucks, ~4 million vehicles per year	Road	$0.71 billion	$0.4 billion
Kintetsu World Express	9,036 vessels 794,954 TEUs	Multimodal	$8.1 billion	$0.25 billion
Grupo Mexico	Grupo Mexico: Over 7,500 miles of track, >800 locomotives, >28,000 rail cars Ferromex: Autoracks: 2,690 bi-levels, 1,555 tri-levels, 125 Q2, and 211 Automax wagons.	Rail	$14.37 billion	$0.22 billion

Source: Automotive Logistics (*estimate)

Table 6.1 Leading North American automotive outbound FVL companies 2023 (continued...)

Company	FVL assets / fleet	Mode (s)	Global revenue 2023	North American outbound FVL automotive revenue 2023*
RPM	60,000 vehicles per month, / 720,000 vehicles per year.	Non-asset based	$0.48 billion	$0.2 billion
Höegh Autoliners	36 PCTCs. Around 1.6m CEUs as well as other rolling and static cargo.	Ocean	$1.45 billion	$0.2 billion
MSC	830 vessels operating across 300 routes.	Ocean	$91 billion	$0.2 billion
NYK Group	800 vessels 104 vessel Ro-Ro ocean carrier fleet with a 660,000 car capacity Transports 4.6 million finished vehicles a year	Multimodal	$14.9 billion	$0.16 billion
Kuehne + Nagel	-	Multimodal	$29.18 billion	$0.15 billion
Acertus	-	Road	$0.25 billion	$0.15 billion
Mitsui O.S.K. Lines (MOL)	797 vessels globally serving over 100 countries. 95 vessels are dedicated car carriers.		$10.37 billion	$0.14 billion
RXO	-	Multimodal	$3.93 billion	$0.13 billion
Grimaldi Group	Handles ~3m cars globally	Ocean	~$5 billion	$0.12 billion
K Line	453 vessels 91 Ro-Ro car carriers Globally, 3.2 million vehicles per year.	Ocean	$6 billion	$0.1 billion
DP World	Handles 2 million car units a year	Multimodal	$18.25 billion	$0.1 billion
Other				$10.25 billion
Total				$18.58 billion

Source: Automotive Logistics (*estimate)

6.1 North American automotive outbound finished vehicle logistics company analysis

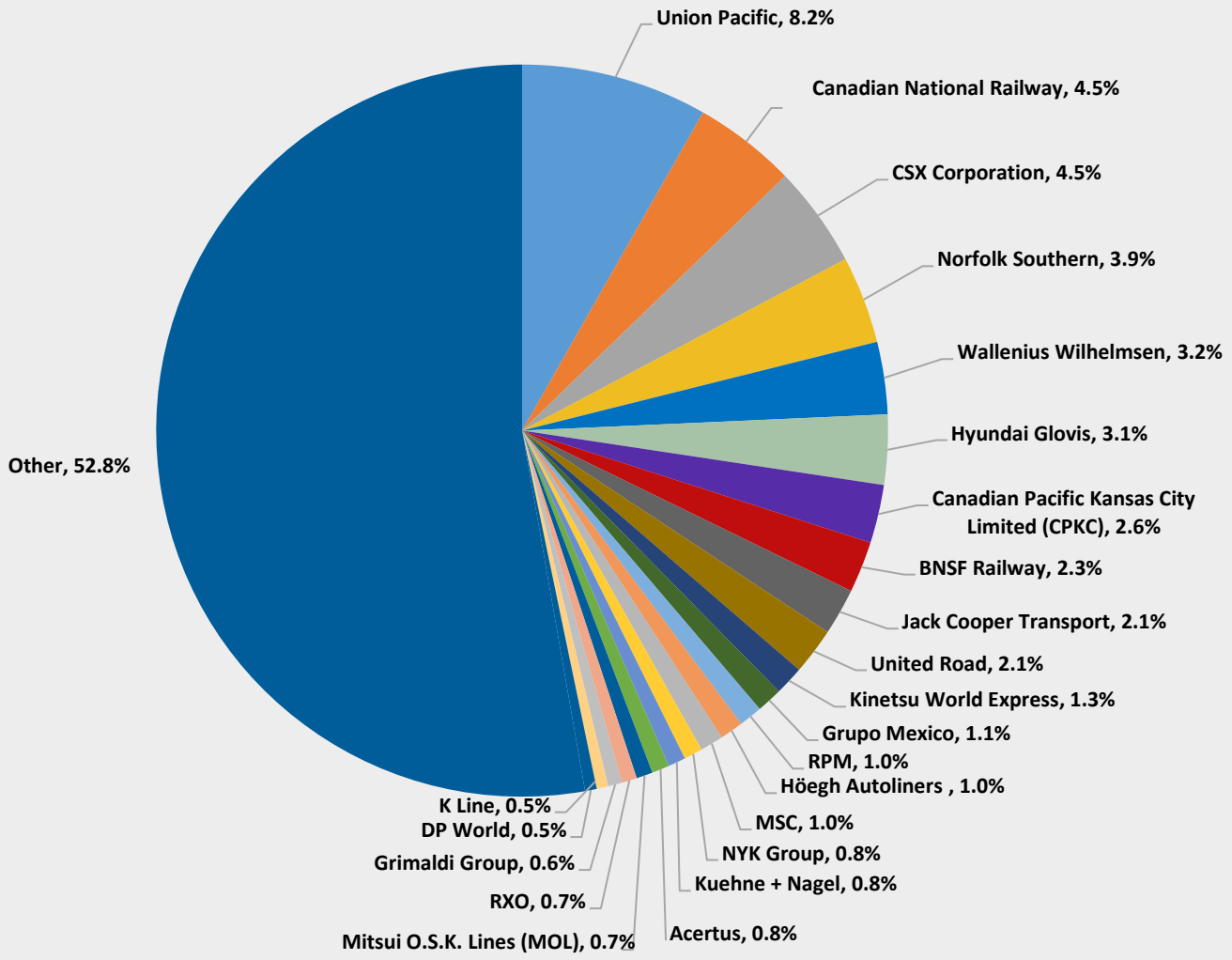
The most revealing aspect of the North American automotive outbound FVL market is how highly fragmented the sector is.

The leading 23 automotive outbound FVL companies account for only 47.2% of the overall market and even the leading player, Union Pacific, only has 8.2% of the market. That means that beyond the leading players, there is a long tail of regional and even smaller FVL players.

This highly fragmented industry composition underpins many of the characteristics and industry challenges. High industry fragmentation leads to a highly price competitive environment with slim margins and therefore a reluctance to invest in new capacity, digitalisation, and more forward-looking objectives such as the green transition to low or zero-emission logistics.

One other characteristic of the sector is that the majority of FVL providers are highly diversified, serving a very wide variety of industry verticals beyond just automotive. In fact, there are very few outbound FVL providers that operate exclusively within the automotive FVL market space, with the possible exception of Höegh Autoliners.

Figure 6.1 North American automotive outbound FVL companies 2023 (% share)



Source: Automotive Logistics

6.2 Leading North American automotive outbound FVL company profiles

6.3 Union Pacific

Union Pacific Corporation, based in Nebraska, US, through its primary operating company Union Pacific, is a Class 1 railroad company operating 7,500 locomotives and 51,500 freight cars on 32,693 miles of owned track across 23 states, primarily in the western two-thirds of the US. The rail network serves all major West Coast and Gulf Coast ports to eastern gateways, connecting with Canada's rail systems and all six major Mexico gateways. Global freight revenues were $22.6 billion in 2023, down slightly from $24.9 billion in 2022.

Union Pacific has three divisions:

Table 6.2 Union Pacific division revenues 2023, %

Division	Revenues	Percentage of freight revenues %
Bulk	$7.36 billion	33%
Industrial	$8.24 billion	36%
Premium	$6.98 billion	31%
Total freight revenues	$22.57 billion	
Other revenues	$1.55 billion	
Total operating revenues	$24.12 billion	

Source: Union Pacific

It is the Premium division that includes automotive, and Union Pacific states that automotive revenues accounted for $2.42 billion in 2023.

Their reported automotive segment revenues includes both inbounds components, finished vehicles and some aftermarket parts. From company statements it appears that automotive inbound components are transported in intermodal containers, both domestically and internationally, whereas their finished vehicle operations primarily occur within North America.

Union Pacific provides logistics services for Chrysler, Ford, and Nissan, amongst others.

From this stated figure we can estimate that Union Pacific has inbound automotive logistics revenue of $0.7 billion and outbound finished vehicle logistics of $1.6 billion, and the remaining $0.12 billion relates to aftermarket/service parts.

Union Pacific also owns 26% of Ferromex, with the controlling stake of 74% owned by Grupo Mexico, although as Union Pacific has a minority stake, we have separately quantified Ferromex in the Grupo Mexico company profile.

6.4 Canadian National Railway (CN)

Canadian National Railway (CN) is Canada's largest rail freight operator, with a 18,800-mile rail network across Canada, and the American mid-west. CN was originally state owned but was privatised in 1995. Global revenues were $16.8 billion in 2023, an increase from $12.86 billion in 2022.

CN transports a wide variety of manufactured goods and commodities.

Table 6.3 Canadian National Railway (CN) goods transported

Grouping	Goods
Merchandise	Forest products, metals and minerals, petroleum products, chemical and plastics
Bulk	Western Canadian coal, US coal, grain, fertilizers
Consumer goods	Automotive, domestic intermodal, international intermodal

Source: Canadian National Railway (CN)

Automotive operations, according to the company annual report, includes movement of both domestic finished vehicles and parts throughout North America, primarily Canada and US Midwest. More specifically, it provides services to vehicle assembly plants in Ontario, Michigan, and Mississippi. The company also serves vehicle distribution facilities in Canada and the US, as well as parts production facilities in Michigan and Ontario. The company's automotive segment revenues were quoted as 6% of overall revenue at $0.945 billion in 2023. Canadian National Railway's also states that 6% of this is inbound components, and 94% for finished vehicles. In terms of Canadian National Railway's involvement in automotive logistics, the company states the following metrics:

- Average of 1.6m finished vehicles handled annually
- 18 automotive compounds accessing
- 10 North American vehicle assembly plants
- Three import/export ports for finished vehicles served on three coasts
- Six ports handle containerized auto parts for import/export

For Canadian National Railway we therefore estimate its North American FVL business generates $0.88 billion a year.

6.5 CSX Corporation

CSX Corporation is based in Jacksonville, Florida, and provides rail-based transport services including transport of intermodal containers and trailers, and finished vehicles. CSX operates primarily in the eastern half of the US and Canada. The network includes around 20,000 route miles (32,200 km) of track across 23 states.

CSX serves multiple industries including agricultural, automotive, bioenergy, building materials, chemicals, coal, fertilizer, food products, machinery, manufactured goods, metals, military, minerals, oil gas and drilling materials, ores, paper, pulp and fibre products, transport equipment and waste.

In terms of automotive logistics, the company operates in four main area: total distribution services (TDSI) , freight damage prevention, finished vehicle distribution, and inbound parts distribution.

CSX claims that it transports nearly one-third of all light vehicles produced in North America. CSX also states that it handles over 5m vehicles annually through its North American network.

CSX's global revenues were $14.66 billion in 2023, only a very slight decline from $14.8 billion in 2022. Company reports state that 59% of revenues were merchandise, and 14% of that is automotive. Therefore, automotive revenues are effectively stated as $1.219 billion in 2023. However, that revenue figure includes both inbound and FVL.

We therefore estimate CSX's North American automotive inbound logistics revenue to be $0.35 billion and its North American automotive outbound FVL logistics to be $0.87 billion.

6.6 Norfolk Southern

Norfolk Southern Corporation is based in Atlanta, Georgia, US. The company maintains rail track and operates railroad services across the US east coast seaboard and Canada. The corporation's main subsidiary, Norfolk Southern, primarily provides intermodal rail freight. Total Norfolk Southern Corporation revenues amounted to $12.16 billion in 2023, only a slight reduction from $12.7 billion in 2022. The industries served by Norfolk Southern are divided into three main groups:

Table 6.4 Norfolk Southern groups and industries served (Units, Revenue)

Grouping / industries served	Units	Revenue
Merchandise **• Agriculture: forest, food, and consumer products** **• Chemicals: petroleum products including crude oil, and natural gas** **• Metals and construction steel, aluminium, cement etc.** **• Automotive includes finished vehicles and automotive parts**	**2.25m carloads**	**$7.35 billion**
• Intermodal commodities moving in containers and trailers.	**3.82 m intermodal units**	**$3.09 billion**
Coal	**677 carloads**	**$1.71 billion**
Total		**$12.16 billion**

Source: Norfolk Southern

Automotive-related logistics revenues were stated as $1.1 billion in 2023. However, automotive logistics revenues includes both finished vehicles and automotive parts. We therefore estimate that Norfolk Southern's North American automotive inbound component logistics to be $0.38 billion in 2022, and their finished vehicle logistics revenues $0.75 billion.

6.7 Wallenius Wilhelmsen

Based in Oslo, Norway, Wallenius Wilhelmsen is a leading Ro-Ro shipping and vehicle logistics provider, managing the distribution of cars, trucks, rolling equipment and breakbulk to customers all over the world. The company controls 128 vessels, servicing 15 trade routes to six continents, together with a global inland distribution network, 121 in-land processing centres, and nine marine terminals.

Wallenius Wilhelmsen's main brands are Wallenius Wilhelmsen Ocean (WW Ocean), Wallenius Wilhelmsen Solutions (WW Solutions), EUKOR, a joint venture with Hyundai Motor Group, United European Car Carriers (UECC), a joint venture with NYK ARC, Armacup and Keen. Wallenius Wilhelmsen provides logistics for OEMs such as BMW, Caterpillar, Daimler, General Motors, John Deere, JLR, Hyundai-Kia, Mercedes-Benz, Nissan, Stellantis, Toyota and Volkswagen.

Wallenius Wilhelmsen claimed to process 6.3m vehicles per year globally in 2023.

Wallenius Wilhelmsen's global revenue was $5.149 billion in 2023, a slight increase from $5.045 billion in 2022.

Table 6.5 Wallenius Wilhelmsen division revenues 2023		
Division	**Services**	**Revenue**
Shipping	**Shipping of cars and ro-ro cargo. Major customers are automotive OEMs, construction, high & heavy equipment, breakbulk cargo.**	**$3.881 billion**
Logistics	**Mainly the same customer groups as shipping services, but logistics services, such as vehicle processing centres, equipment processing centres, inland distribution networks and terminals.**	**$1.148 billion**
Government services	**Ocean transport of ro-ro cargo, breakbulk and vehicles.**	**$0.324 billion**
Eliminations		**-$0.204 billion**
Total		**$5.149 billion**

Source: Wallenius Wilhelmsen

Shipping revenues dominated with $3.881 billion in 2023. Within the shipping segment, company reports indicate that around 20% of shipping revenue relates to North America ($0.78 billion). And WW states that 72% of volumes (by CBM) are automotive, with 30% being high and heavy. Therefore, within their shipping segment $0.56 billion is North American automotive logistics related.

Within their overall logistics services segment, achieving, $1.148 billion in 2023, automotive is stated as $0.512 billion in 2023.

Again, we assume that around 20% of this occurs within North America. Therefore, within logistics services, $0.11 billion is North America automotive related.

Therefore, combining the two segments, we estimate that Wallenius Wilhelmsen's North American automotive finished vehicle logistics revenues amount to $0.62 billion.

6.8 Hyundai Glovis

Headquartered in South Korea, Hyundai Glovis is primarily a maritime shipping company that operates globally as an inbound and FVL provider mainly for Hyundai Motor Group vehicles (including Kia), but also increasingly providing FVL services for other OEMs such as BMW, FCA, Ford, GM, Mercedes, Nissan, Renault, Tesla and VW.

For example, in 2010, just 12% of its vehicle shipping orders were from outside the Hyundai Motor Group, but by 2021 this figure had increased to 61%, still mainly for ocean services.

Now Hyundai Glovis is a more diversified and a global provider of 3PL integrated logistics services such as transport, storage/unloading, international logistics, logistics equipment rental and packaging services.

Table 6.6 Hyundai Glovis acquisitions 2014-2019		
Company	**Year**	**Description**
Adampol	**2014**	**A Polish logistics provider specialising in transport and logistics services. Adampol's clients include Fiat, Ford, Hyundai, Iveco, Mercedes-Benz, Mitsubishi, Skoda, Suzuki, Tesla and VW.**
Stena-Glovis JV	**2019**	**A 50:50 joint venture (JV) of Stena Line and Hyundai Glovis. Globally, the JV operates 84 PCTC, 38 ferry/Ro-Ro vessel, and ships 5m cars annually.**

Source: Hyundai Glovis

Globally, Hyundai-Glovis states that it handles over 3.4m finished vehicles, utilising 82 PCTC vessels.

In 2023, Hyundai Glovis announced it was investing $1.89 billion in 12 dual-fuel car carrier vessels that will be able to run on liquified natural gas (LNG). Each vessel will be able to carry 10,800 car equivalent units (CEUs) making them the world's largest pure car and truck carriers (PCTCs).

Globally, Hyundai Glovis achieved revenues of $18.84 billion in 2023. Hyundai Glovis has three reportable divisions – Logistics (inland), Shipping and Distribution. Its finished vehicle automotive logistics revenues are spread across its Logistics (inland) and Shipping divisions.

Table 6.7 Hyundai Glovis division revenues 2023		
Division	**Global revenue**	**Operations**
Logistics (inland)	**$6.62 billion**	Finished vehicle logistics, container and air transport
Shipping	**$3.09 billion**	Pure Car & Truck Carrier (PCTC), Bulk shipping
Distribution	**$9.13 billion**	Complete knock down (CKD) Autobiz, (e.g. used cars) other e.g. metals
Total	**$18.84 billion**	

Source: Hyundai Glovis

North America revenue is stated as 11.4% of total revenue, equal to $2.1 billion, and with a particular focus on three main industries: automotive, consumer packaged goods (CPG) and industrial.

In terms of North American FVL, Glovis America claims to deliver around 2m vehicles annually.

Glovis America provides services for ocean freight, ground freight, air freight, project cargo, customs, warehouse, and distribution and logistics consulting.

The division provides both automotive inbound and automotive FVL services and the company is investing in logistics capabilities to support EV value chains, and the recycling and repurposing of EV batteries.

Hyundai Glovis' North American FVL revenue is spread across two reportable divisions: Logistics and Shipping.

For the Logistics division, $0.76 billion in 2023 is attributable to North America. However, not all of this is FVL, as it also includes inland container and air transport. We estimate that within its Logistics division, $0.4 billion of Hyundai Glovis' revenue is land-based North American FVL.

For the Shipping division, Hyundai Glovis' North America FVL accounts for $0.2 billion.

Combining those two divisions, we estimate that Hyundai Glovis' overall North America automotive FVL revenue to be $0.6 billion annually.

6.9 Canadian Pacific Kansas City Limited (CPKC)

Canadian Pacific Kansas City Limited (CPKC) was formed by Canadian Pacific Railway's (CP) $31 billion acquisition of Kansas City Southern Railway in December 2021.

On April 14, 2023, the railroads formally merged to form the new company entity CPKC. The combined networks now comprise 20,000 miles (32,200 km) of rail across the three countries and is the first and only to directly serve Canada, Mexico and the US.

In June 2024, CPKC announced it would opening a new 12-hectare finished vehicle compound in Wylie, Texas (near Dallas) as part of its overall investment of $275m in capacity enhancements between Chicago, Illinois and Laredo, Texas.

"This compound is part of our playbook that unlocks an entirely new supply chain model for the OEMs, giving them the service, reliability and capacity certainty like they've never seen before," John Brooks, executive vice-president and chief marketing officer of CPKC

Table 6.8 Canadian Pacific Kansas City Limited (CPKC) division revenues 2023		
Division	**Industries served**	**Revenue**
Bulk	**Grain**	**$2,496 million**
	Coal	**$859 million**
	Potash	**$566 million**
	Fertilizers & Sulphur	**$385 million**
Merchandise	**Forest Products**	**$696 million**
	Energy, Chemicals & Plastics	**$2,301 million**
	Metals, Minerals and Consumer Products	**$1,579 million**
	Automotive	**$934 million**
Intermodal	**Intermodal**	**$2,465 million**
Total		**$12,281 million**

Source: Canadian Pacific Kansas City Limited

CPKC's global revenue was $12.28 billion in 2023, an increase from 2022 revenues because of the now merged operations of both rail freight providers. Automotive is stated as 8% of freight revenues, equating to $0.934 billion in 2023.

In terms of automotive logistics CPKC's Automotive operations consist of finished vehicles originating from production facilities in Canada the US, Mexico, and from overseas imported through the Port of Vancouver. Finished vehicles are primarily shipped to Canada, the U.S., and Mexico. CPKC also ships automotive parts, machinery and pre-owned vehicles.

Therefore, because not all of the stated automotive revenues are FVL, CPKC's automotive outbound finished vehicle logistics revenue is estimated to be $0.5 billion.

6.10 BNSF Railway

BNSF Railway (full name Burlington Northern Santa Fe) based in Fort Worth, Texas, is one of North America's leading freight transport companies, with a fleet of ~7,600 locomotives operating on a rail network of 32,500 miles across 28 states, primarily in the central and western US, three Canadian provinces, and some routes to and from Mexico.

Global revenues amounted to $23.87 billion 2023, only a slight contraction from $25.88 billion in 2022. Since 2010, BNSF Railway has been owned by Berkshire Hathaway.

BNSF Railway transport a wide variety of goods. See **Table 6.12** and includes automotive in its Industrial Products division which relates to inbound automotive components. Finished vehicles are included in its Consumer Products division.

Table 6.9 BNSF Railway division revenues 2023

Industry	Revenue
Agricultural Products	$5.583 billion
Consumer Products	$7.879 billion
Industrial Products	$5.690 billion
Coal	$3.795 billion
Other	$0.929 billion
Total	$23.87 billion

Source: BNSF

From the January 1, 2024 BNSF teamed up with Grupo México Transportes (GMXT) and J.B. Hunt Transport Services for intermodal cross border services between the US and Mexico. In November 2023, BNSF and J.B. Hunt announced the launch of a premium intermodal service called Quantum which they said would improve delivery with "consistency, agility and speed" for the transport of road freight using rail.

Representatives from both companies will form the Quantum team, based at a new Intermodal Innovation Center at BNSF headquarters in Fort Worth, Texas. Team members will handle planning, execution, oversight and exception management.

BNSF said users of Quantum could expect a 95% on-time delivery service approximately a day faster than traditional intermodal services.

In terms of North American finished vehicle logistics, BNSF Railway provides services for Honda and Nissan, in particular. On the outbound FVL side, BNSF Railway states that it moves ~2.5m new cars and trucks per year, or ~5 per minute.

For BNSF Railway, we therefore estimate its North American finished vehicle logistics business generates $0.44 billion a year.

6.11 Jack Cooper Transport

Jack Cooper Transport (JCT), based in Kansas City, Missouri, is a privately held company providing logistics and speciality transport services. It is one of the largest providers of road-based finished vehicle logistics in North America, transporting vehicles from manufacturing plants, vehicle distribution centres, seaports and railheads to new vehicle dealerships.

In 2023, Jack Cooper acquired Moore Transport including around 240 car carrier trucks. The objective was to increase capacity, achieve better economies of scale and become more competitive with the ability to provide just in time capacity within a rapidly evolving production capacity environment.

With the acquisition, Jack Cooper now manages a fleet of 1,400 trucks, employs nearly 3,000 people, and claims to transport approximately 4m finished vehicles annually.

Jack Cooper provides automotive logistics solutions for new and used vehicle markets, specialising in finished vehicle transport and other logistics services for major automotive OEMs, including Ford, GM, and Stellantis, as well as fleet owners, car rental companies, leasing companies, remarketers, dealerships and auctions.

Table 6.10 Jack Cooper divisions

Industry	Revenue
Jack Cooper Transport (JCT)	Over-the-road logistics, for used vehicles and finished vehicles across North America.
Jack Cooper Logistics	A range of asset-light and value-added services to the new and used vehicle market
CT Services	Providing speciality transport services, yard management, vehicle inspections, title and key services, and other speciality logistics
North American Auto Transportation	Vehicle-hauling operating in the Pacific north-west
Auto and Boat Relocation Services	Managing the moving process of privately owned vehicles
Moore Transport	Truck away and manufacturer-to-dealer automotive delivery specialist

Source: Jack Cooper

Jack Cooper's total revenue is believed to be $0.58 billion. We therefore estimate that Jack Cooper's North American finished vehicle logistics revenues are valued at $0.4 billion.

6.12 United Road

United Road, based in Plymouth, Michigan, is a road-based provider of vehicle and heavy-haul transport services, operating throughout the US and Canada with affiliated companies (collectively known as United Road). United Road is strongly unionised and one of the largest road carriers in North America. As of 2023, The Carlyle Group was no longer the equity owner of United Road and new unnamed private owners took over the company in a swap of $335m debt for equity.

The main divisions are –

- URS Midwest (interstate carrier)
- United Road Logistics (broker of property)

United Road reports the transport of over 4m vehicles annually.

Table 6.11 United Road divisions and companies served

Division	Companies served
New vehicles (OEM, storage, and marshalling)	Ford, GM, Toyota, Honda, VW, Jaguar Land Rover, Hyundai, BMW, Stellantis, Nissan, Kia, Rivian, Subaru, Mitsubishi, Tesla.
Remarketed	dealerships, rentals, auctions, oversize vehicles, direct to home, corporate fleet, financial institutions
Personal moves (individual /speciality vehicles)	Bentley, Ferrari, Maserati, Porsche, Fisker, Waymo

Source: United Road

United Road's total revenue was approximately $0.71 billion in 2023.

It is believed that approximately 55% of revenue is derived from transport services, and approximately 45% from towing and recovery services. Therefore, we estimate that United Road's North American finished vehicle logistics revenues are $0.4 billion.

6.13 Kintetsu World Express

Kintetsu World Express (KWE) is a Japanese freight forwarding and transport company, and is a subsidiary of the Japanese railway holding company Kintetsu Group Holdings. KWE provides air and sea freight forwarding, customs brokerage and warehouse inventory management services.

KWE's FY 22/23 global revenue was $8.1 billion, and its North America operations are 12% of global revenues, equating to around $0.95 billion.

KWE's main involvement in North American automotive logistics is through their APL Logistics subsidiary and the Vascor joint venture with Fujitrans.

6.13.1 APL Logistics

APL Logistics is a global supply chain specialist operating in more than 110 locations in 60 countries, serving the automotive, consumer, industrial and retail sectors. In early 2015, APL Logistics and APL Logistics Americas incorporated a new company called APL Logistics de Mexico providing transport logistics operations in Mexico. In terms of the automotive sector, APL provides logistics for inbound-to-manufacturing, aftermarket parts, finished vehicles and intercontinental supply chain.

APL's FY 22/23 global revenue was reported as $1.62 billion.

Therefore, APL's North America inbound automotive logistics is estimated to be $0.1 billion and its North America outbound FVL is estimated to be $0.2 billion.

6.13.2 Vascor

Vascor is a joint venture between APL Logistics and Fujitrans Corporation of Japan and serves the automotive industry, providing finished vehicle third party logistics (3PL) management services. Vascor FVL services include yard management, plant releasing, vehicle transport, accessory installations/upfitting, rail loading/unloading, vehicle inspections, claims management, vehicle yard management, in-transit repair management, protective coating applications, and Repuve (publicly registered) chip installation. Vascor serves OEMs including GM, Honda, Mercedes-Benz, Mitsubishi, Toyota, Stellantis, Hino, Ford and Nissan. Vascor revenues are believed to be in the region of $50m annually.

6.13.3 Changan Minsheng APLL Logistics (CMAL)

Changan Minsheng APLL Logistics (CMAL) is a joint venture between APL Logistics and Changan Minsheng, and is an automotive 3PL provider in the Chinese market.

6.13.4 APL Logistics Vascor Automotive

APL Logistics Vascor Automotive, based in Delhi, is a joint venture of APL Logistics and Vascor 3PL serving the automotive sector in India, handling end-to-end transport of vehicles and parts from the assembly line to destination, with additional services including tracking, inspection, repair and final-mile delivery. Therefore, KWE's North America inbound automotive logistics revenue is estimated to be $0.15 billion, and its North America outbound finished vehicle logistics revenue is estimated to be $0.25 billion.

6.14 Grupo México

Grupo México is a Mexican conglomerate with major operations in mining (Minera Mexico), transport (GMXT) and infrastructure. These involve the following industries: farming/agriculture, automotive, cement, energy, intermodal, metals, minerals, industrial products, chemicals and fertilisers and others. Grupo México's total revenues were $14.37 billion in 2023. The company reports across three major divisions:

Table 6.12 Grupo Mexico division revenues 2023

Division	Revenue
Mining "Minera Mexico"	$10.86 billion
Transportation "Grupo México Transportes (GMXT)"	$3.11 billion
Infrastructure	$392m
Total	$14.37 billion

Source: Grupo Mexico

Although North American operations (US and Mexico) account for 58% of total Grupo México revenues, this is somewhat skewed because of its dominant mining division, which operates internationally. Its automotive logistics operations are entirely based in North America, through the Grupo México Transportes (GMXT) division, which itself has five subsidiaries.

Table 6.13 Grupo Mexico Transportes (GMXT) subsidiaries

Ferrone (Grupo México owns 74% and Union Pacific owns 26% of the company)
Ferrosur
Florida East Coast
Intermodal Mexico
Texas Pacifico

Source: Grupo Mexico

Grupo México Transportes (GMXT) operates the largest railway network in Mexico with over 7,500 km of track (Ferromex 5,970 miles, Ferrosur 1,649 miles). It connects with 13 ports (nine in Mexico and four in the US) and with five border crossings between Mexico and the US. The GMXT fleet has more than 800 locomotives and more than 28,000 rail cars and transports agricultural products, minerals, metals, chemicals and fertilisers, cement and finished vehicles.

GMXT looks well positioned to exploit the trend toward nearshoring within North America -

"GMXT is ready to support the freight demand growth that nearshoring presents with North America by providing flexible and top-notch rail services to our customers," said Fernando López, GMXT CEO. "Eagle Pass is a strategic gateway, and we are committed to connecting México and the US through smart and secure borders while helping our countries facilitate the trade."

It is primarily Ferromex that transports automotive parts and provides FVL services. Ferromex state that it operates the largest fleet of autoracks in Mexico, comprised of 2,690 bi-levels, 1,555 tri-levels, 125 Q2, and 211 Automax wagons. Ferromex also says it transports 72% of the production from the Chrysler, Ford, General Motors, Honda, Mazda, Nissan, Toyota and Volkswagen assembly plants that they serve.

In addition, the company states that automotive accounts for 11% of GMXT revenues, which equates to $0.34 billion.

From this we can assume that Grupo México's North American outbound FVL is valued at $0.22 billion, with the remaining $0.12 billion for inbound, aftermarket/service parts and other.

6.15 RPM

RPM, based in Royal Oak, Michigan, is a non-asset-based logistics and supply chain solutions provider of FVL and specialised freight transport across 30 countries in North America and Europe. The majority of its operations are in North America.

In June 2024, private equity firms Trive Capital and Bluejay Capital Partners invested to become the new majority owners of RPM Freight Systems, which provides freight and FVL services in Europe and North America. Barry Spilman, RPM founder and CEO, remains as a minority stakeholder.

The US-based company launched services in Europe in 2019 and in Mexico in 2022.

RPM claims to transport 60,000 vehicles per month, which equates to 720,000 vehicles per year. However, not all of this is FVL for OEMs, and RPM offers a range of vehicle logistics services for a range of clients including OEMs, remarketing, retail, rental, fleet management, and previously owned vehicle (POV).

RPM's total company revenues are believed to be around $0.48 billion.

Therefore, we estimate RPM's North American finished vehicle logistics revenues to be $0.2 billion.

6.16 Hoegh Autoliners

Höegh Autoliners is a deep-ocean shipping company operating globally across 11 trade routes and specialising in Ro-Ro vessels used for transporting vehicles and other goods. Those include: agriculture, passenger cars, boats, breakbulk, construction and mining equipment, machinery, power equipment, railcars and tramways, and trucks, buses and trailers. Höegh Autoliners' global revenue was $1.45 billion globally in 2023, an increase from $1.27 billion in 2022.

For the FVL sector Höegh Autoliners operates a fleet of 36 PCTCs.

Höegh Autoliners transports around 1.6m CEUs as well as other rolling and static cargo.

Table 6.14 Hoegh Autoliners volumes by type (%)

Division	% volumes
Factory new light vehicles (FNLV)	57%
Previously owned vehicles (POV)	13%
High and heavy (H&H)	26%
Breakbulk (BB)	4%

Source: Hoegh Autoliners

Höegh Autoliners state that 57% of their volumes are derived from factory new light vehicles (FLNV).

Höegh Autoliners' operations have expanded in North America because of some new recent OEM contracts won during 2023. We estimate North America to account for around 25% of volumes. However, that is for all vehicle types. Given the global reach of the business and range of industries served, we therefore estimate that Höegh Autoliners North American FVL revenues to be $0.2 billion.

6.17 MSC

The Mediterranean Shipping Company (MSC) is the world's largest container shipping line and controls 830 vessels operating globally across 300 routes.

Based in Geneva, MSC is a privately owned company and does not therefore publish annual reports or its financial results to the public. However, recently, its total revenues were revealed during a bidding process for a 50% stake in Italian passenger rail operator Italo. MSC revenues are believed to have reached $91 billion in 2023.

MSC ships agriculture, automotive, chemicals and petrochemicals, food and beverages, fruits, mining and minerals, pharmaceuticals, plastic and rubber products, pulp, paper and forestry products, retail and other products.

In terms of automotive, the company has a strong involvement, providing inbound logistics, CKD/ SKD and finished vehicle logistics, as well as battery logistics.

In June 2024, Shipping Agencies Services Sárl (SAS), a subsidiary of Mediterranean Shipping Company (MSC) acquired a majority 97% stake in Gram Car Carriers for a value around $693.3m. Gram Car Carriers has 17 PCTC vessels. The investment is a significant move into the PCTC segment. MSC states that it already owns two car carriers and also transports vehicles in containers. Gram will operate as a subsidiary of MSC.

Given the wide range of industries MSC is involved with, we therefore estimate that MSC's North American automotive inbound logistics revenue to be $0.4 billion and its automotive outbound finished vehicle logistics revenue to be $0.2 billion.

6.18 Nippon Yusen Kabushiki Kaisha (NYK Group)

NYK Group, based in Tokyo, Japan, is a global shipping line and logistics operator involving liner trade, air cargo transport and logistics, bulk shipping and other businesses such as real estate. NYK Line is a division of the NYK Group and its fleet comprises around 800 ships, including container ships, tankers, bulk and woodchip carriers, Ro-Ro car carriers, reefer vessels, LNG carriers and cruise ships.

In terms of automotive logistics, NYK's 104-vessel Ro-Ro Ocean carrier fleet claims to be the second largest in the world with an overall 660,000 car capacity, which represents just over 17% of the global vehicle transport fleet capacity for ocean. NYK transports new vehicles worldwide . NYK also transports high and heavy cargo (including excavators, mobile cranes, new and used trucks and buses, trailers, Mafi roll trailers and break-bulk static pieces.

NYK Line's services also extend beyond shipping to land-based services, including plant compound management, terminal services, value-added services and inland transport by truck or rail. The company also has a specific focus on EV handling. NYK's total revenue is projected to be $14.90 billion for 2023.

Table 6.15 NYK Line division revenues 2023

Division	Revenues in 2023
Liners	$1.22 billion
Logistics	$4.42 billion
Bulk	$7.65 billion
Other	$1.44 billion
Eliminations	-$0.88 billion
Total	$14.90 billion

Source: NYK

In terms of global capacity, NYK Line has stated volumes for Ro-Ro terminals of 7.4m vehicles, inland logistics of 1.8m vehicles, regional shipping of 1.2m vehicles, and ocean shipping of 2.4m vehicles.

Globally, NYK claims to have transported 4.6m finished vehicles in 2023.

The company's global revenue was $14.9 billion in 2023, with the logistics division (which includes automotive contract logistics) accounting for $4.42 billion, and bulk shipping segment (which is stated as including automotive) generating $7.65 billion.

NYK's car carrier revenues are reported within their 'bulk' segment, and car carriers account for 16% of vessels within their 'bulk' segment. Furthermore, only around 13% of NYK's operations are believed to be within North America or surrounding waters.

From that we estimate that NYK's North American outbound automotive logistics revenues to be a relatively small $0.15 billion.

6.19 Kuehne + Nagel

Based in Switzerland, Kuehne + Nagel is a global transport and logistics company which provides a variety of logistics services across its segments of sea, road, air and contract logistics.

Global Kuehne + Nagel revenues were $29.18 billion in 2023, a drastic fall from $48.2 billion in 2022. This occurred primarily within their sea and air logistics divisions where freight rates greatly reduced and normalised form the Covid-era highs.

Table 6.16 Kuehne + Nagel division revenues 2023

Industry	Revenue
Sea logistics	$11.03 billion
Air logistics	$8.29 billion
Road logistics	$4.54 billion
Contract logistics	$5.73 billion
Eliminations	-$0.41 billion
Total	$29.18 billion

Source: Kuehne + Nagel

Table 6.17 Kuehne + Nagel acquisitions 2021-2022

Acquisition	Date	Country
Salmosped AS 2021	2021	Norway
Apex International	2022	Asia

Source: Kuehne + Nagel

The major industries Kuehne + Nagel serves are consumer packaged goods, food and beverage, and retail. Other industries served include aerospace and defence, automotive, computers and electronics, industrial and manufacturing, forest and paper products, health care, oil and gas.

Within automotive, Kuehne + Nagel offers inbound, production, aftersales, packages services, tyre logistics, reverse and finished vehicle logistics.

Kuehne + Nagel's North America revenues amounted to $9.0 billion in 2023, a dramatic fall from $16.8 billion in 2022, (35% of revenues) and in 2023 now constituting 30% of total revenues. In North America, Kuehne + Nagel mainly runs ocean and airfreight forwarding operations, and therefore their road fleets are relatively small.

We therefore estimate that Kuehne + Nagel's North American inbound automotive logistics revenues to be $0.25 billion and its North American outbound finished vehicle logistics revenues to be $0.15 billion.

6.20 Acertus

Acertus, based in St Louis, Missouri, provides an automotive logistics-as-a-service platform (LaaS) delivering end-to-end solutions throughout the lifecycle of a vehicle including vehicle transport, title and registration, storage, care and maintenance and compliance services.

The company is rapidly growing through organic growth as well as acquisitions that expand its reach and capabilities.

Previously known as Metrogistics, through the acquisition of McNutt, AmeriFleet and Metro Title Services, the company rebranded itself as Acertus. Furthermore, Acertus acquired RCG Logistics in 2023, and Guardian Auto Transport in 2024.

In early 2024, Acertus announced that it had been awarded an exclusive contract to be the transport provider for Volkswagen's Centerville, Illinois railhead ramp to help manage supply chain disruptions, remove friction and improve velocity.

Acertus company revenue is believed to be around $0.25 billion and therefore, given the other range of services the company offers, we estimate Acertus' North American finished vehicle logistics revenues to be $0.15 billion.

6.21 Mitsui O.S.K. Lines (MOL)

MOL is a global shipping operator based in Tokyo, Japan. Total company revenues were $10.37 billion in FY 2022/2023.

MOL claims to have the world's third-largest shipping fleet with a total of 797 vessels globally serving over 100 countries. Of that total, around 95 vessels are understood to be dedicated car carriers. The vessels, operate under the unified brand of MOL Auto Carrier Express (ACE). The vessels transport a mixture of passenger vehicles, trucks and construction machinery.

The company states that their Product Transport Business, which includes car carriers, terminal and logistics, ferries and coastal Ro-Ro ships, generated revenues of $4.3 billion in FY 2022/2023.

Table 6.18 illustrates their three main vehicle exporting countries and volumes.

Table 6.18 Mitsui O.S.K. Lines car carrier route shipments

Route	Volumes
From Japan	4.2 million
From Germany	3 million
From China	4.8 million

Source: Mitsui O.S.K. Lines (MOL)

MOL owns the majority share of Nissan Motor Car Carrier (NMCC). MOL also owns subsidiary Euro Marine Logistics which transports around 1m vehicles a year. In terms of North America, this is a relatively small part of their operations Therefore, we estimate MOL's North American finished vehicle logistics revenues to amount to $0.14 billion in 2023.

6.22 RXO

Originally part of XPO group, RXO was spun-off and became a fully independent company in 2022. RXO is a brokered transport company with an asset-light business model. The largest division is its truck brokerage business. Total revenues were reported as $3.93 billion in 2023, a notably decline from $4.8 billion in 2022.

Table 6.19 RXO division revenues by service type 2023

Division	Revenue
Truck brokerage	$2,358 million
Last mile	$1,014 million
Managed transportation	$439 million
Freight forwarding	$251 million
Eliminations	-$135 million
Total	$3.93 billion

Source: RXO

The revenue splits by industry vertical are reported as follows:

Table 6.20 RXO division revenues by industry 2023

Division	Revenue
Retail/e-commerce	$1,533 million
Food and beverage	$438 million
Industrial/manufacturing	$743 million
Logistics and transportation	$197 million
Automotive	$411 million
Other	$605 million
Total	$3.93 billion
Total	$3.93 billion

Source: RXO

Around 95%of RXO revenues are in North America, with 5% in Asia. Of the automotive revenues of $0.41 billion, that equates to $0.39 billion.

The majority of those automotive revenues are accounted for by inbound logistics. We can therefore estimate that RXO's North American automotive inbound logistics to be $0.26 billion, and RXO's North American outbound FVL revenues to be $0.13 billion.

6.23 Grimaldi Group

Grimaldi Group, based in Italy, is a privately owned company mainly providing integrated sea-based logistics services. Its shipping line includes a large fleet of around 130 vessels, including Ro-Ro, Con-Ro multipurpose, Ro-Pax, and cruise vessels. Grimaldi Group provides multimodal services, further providing connection to road, rail and inland waterways.

Grimaldi has been strongly investing and expanding its fleet, also using the opportunity to pivot to more sustainable vessels.

Over the last couple of years Grimaldi has invested around $2.5 billion in new vessels and will take delivery of 25 over the next five years. In October 2022, Grimaldi signed an order with China Merchants Heavy Industries Jiangsu (CMHIJ) for five new pure car and truck carriers (PCTCs), with the option for a further five vessels, which it exercised. In January 2023, Grimaldi also ordered five PCTCs from two subsidiaries of China State Shipbuilding. The vessels are being delivered between 2025 and 2027. Along with the 15 ammonia-ready PCTCs (with option for another two units), that includes six G5-class Ro-Ro multipurpose vessels, two GG5G-class hybrid Ro-Ro ships and two Superstar-class Ro-Pax units (for its subsidiary Finnlines). The Grimaldi Group operates across a range of brands:

Table 6.21 Grimaldi Group brands	
Brand	**Operations**
Grimaldi Lines	**Grimaldi Lines involves two companies, Grimaldi Euromed and Grimaldi Deepsea**
Atlantic Container Line (ACL)	**Vehicle and container-based ro-ro, and container-based cargo services in the North Atlantic**
Minoan Lines	**A ferry service between Italy and Greece, and within Greece**
Finnlines	**A ferry service operating in Northern Europe and in the Baltic Sea**
Malta Motorways of the Sea	**Operating a ferry service between Malta and other Mediterranean countries**

Source: Grimaldi Group

Grimaldi's global revenue was reported as being over $5 billion in 2023.

Grimaldi Group is known to have client relationships with leading automotive OEMs including, Ford, GM, Renault-Nissan and FCA (now part of Stellantis).

Grimaldi Group claims to handle around 3m cars globally, calling at 150 ports, across 50 countries on five continents. However, Grimaldi Group's main operations are in Europe and North America is a relatively small part of the business. It is their ACL shipping line that serves the North Atlantic route from Europe to North America.

We therefore estimate that Grimaldi Group's North American finished vehicle logistics revenues to be $0.12 billion.

6.24 Kawasaki Kisen Kaisha (K Line)

K Line is a global shipping company headquartered in Tokyo, Japan. Global revenues were $6 billion in 2023.

K Line's 453 vessel fleet includes dry cargo ships (bulk carriers), container ships, LNG carriers, Ro-Ro vessels, tankers and container terminals.

In 2017, K Line merged its container shipping business with NYK and MOL to become part of Ocean Network Express (ONE). .

The company's Product Logistics segment constitutes 55% of revenues which equates to $3.3 billion in 2023. Within this segment, approximately 50% of revenues are believed to be from car carriers, equating to $1.65 billion.

K Line operates around 91 car carriers, around one-third of which are owned, and the other two-thirds chartered.

Globally, K line transports around 3.2m vehicles per year. Its main operations are Asia-Europe. However, of that total, around 500,000 vehicles are stated as being 'Asia-North America'.

Therefore only 6% can be assumed to be within North America as we define it. Furthermore, not all of the vehicles transported are passenger vehicles.

Therefore, we estimate K Lines' North American finished vehicle logistics revenues to be relatively minor at $0.1 billion in FY 2022/2023.

6.25 DP World

DP World provides services across four main areas: operating ports and terminals, logistics, marine services, and economic zones. DP World is one of the world's largest port operators with global revenues of $18.25 billion in 2023, a slight increase from $17.1 billion in 2022, in part because of recent acquisitions contributing to topline revenues. Global capacity was 94m TEUs in 2023.

DP World primarily serves the automotive, oil and gas, and energy industries. Until recently, DP World has not been a player in North American finished vehicle logistics. The company has stated that they have no direct involvement in Ro-Ro in Europe or North America.

However, the recent acquisition in 2023 of CFR Rinkens, a US-based containerised FVL specialist, has launched DP World's somewhat limited involvement in North American FVL.

Table 6.22 DP World acquisitions 2019-2024		
Acquisitions	**Date**	**Value**
P&O Ferries	**2019**	
Unifeeder	**2019**	
Unico Logistics	**2020**	**-**
Transworld feeders / Feedertech	**2020**	**--**
Syncreon	**2021**	**$1.2 billion**
Imperial Logistics	**2022**	**$890 million**
J&J Group	**2022**	**-**
CFR Rinkens	**2023**	
Cargo Services Far East	**2024**	**$300 - $400 million**

Source: DP World

In 2024, DP World announced that it will be providing an intermodal rail service for containerised car shipments between Mexico, the US and Canada in response to the Ro-Ro and multilevel rail-capacity shortages within North America. Since the beginning of 2024, DP World has already transported over 5,000 cars across the US / Mexico border. The company has forecast that the containerised service could move 30,000 vehicles in containers by rail in 2024.

DP World claims to handle globally 2m car units annually, primarily in Asia, Middle East and Africa. Therefore, given that North America is still a relatively small part of its operations, we estimate DP World's overall North American automotive outbound finished vehicle logistics revenue to be $0.1 billion.

6.26 Other North American automotive finished vehicle logistics companies

Table 6.23 Other North American automotive finished vehicle logistics companies

Accelerated Services LLC
Allied Automotive Group
ARS Altmann AG
Auto Mobile International
Autos in Motion
Berge Infraestructuras Y Servicios Logisticos
BLG Logistics
Carter Logistics
Cassens Transport
CCT Auto Trans
Confezioni Andrea Group
Cosco Shipping Specialized Carriers
Crane Worldwide Logistics
CRC Transport LLC
Crowley Maritime
Crown Auto Transport & Logistics
CSS Auto Transport
Delta Auto Transport
Deluxe Auto Carriers
DHL
Ekol Lojistik AS
Expeditors International
First Impression Transport
Hansen & Adkins Auto Transport
Kerry Logistics Network
Koopman Logistics
L. Hansen's Forwarding
Lis Trucking Auto Transport
Masney Auto Logistics Inc.
McCollisters Transportation Group
Navistar International
Nippon Express
North Motors Group
Omsan Lojistik
Penske
Pound Gates Vehicle Management Services
Proficient Auto Transport
Reliable Carriers
SAIC Anji Logistics
Siem
Sierra Mountain Group
Tiba Group
Toyota Logistics Services (TCS)
Tribeca Automotive
Vision Auto Transport
XPO Logistics

Source: Automotive Logistics

7. Conclusions & recommendations

The automotive logistics sector is facing multiple headwinds often with a very challenging mixture of issues. However, as we have alluded to throughout the report, many of these challenges are not inevitable but a consequence of inherently structural industry problems. Those include the fact that much of the industry is overly fragmented and highly price competitive, which reduces margins and thereby stifles investment to increase capacity, or in digitalisation, or even investing for the long term in the green transition toward zero-emission fleets.

However, with a change of mindset and a long-term strategy outlook, many of these industry challenges, such as the green transition, can actually be reframed positively as new business opportunities to be capitalised upon.

Strength

Notwithstanding an array of internal and external headwinds, the North American automotive logistics industry remains a robust, resilient, and growing industry. With a market value of $64.53 billion in 2025, and the sector is expected to grow with a CAGR of 3.0% to reach a value of $86.90 billion by 2035.

Of course, the automotive logistics market depends on a strong customer base confident enough to purchase, finance or lease new vehicles. To that end, despite geopolitical unrest, macroeconomic clouds on the horizon, relatively high interest rates, and sticky inflation, consumer sentiment is robust and there is still healthy demand for new vehicles unpinning the outlook for the automotive logistics market.

Uncertainty

However, uncertainty abounds. Politically, we are in a ‘super election’ period. While the US election in November 2024 dominates the outlook, Mexico re-elected the Morena party with a large majority in June 2024.

That has introduced some uncertainty around how this may affect trade policy. Canada’s election is likely to be during 2025. All industry stakeholders are questioning what this might mean for trade, protectionism and the US Inflation Reduction Act – would it be rolled back if that is even legally possible? And what of Mexico, and the green agenda, how could this impact domestic vs. foreign brands?

Furthermore, considerable challenges remain across automotive logistics. They include freight rate volatility, overcapacity in trucking but capacity constraints particularly on Ro-Ro vessels. There is also increasing disruption from infrastructure events (such as the Baltimore bridge collapse) as well as geopolitical events (Suez Canal) and weather events (drought in the Panama Canal). These headwinds often require nimble flexible responses that can re-route cargos using different modes, cooperating and collaborating with OEMs, LSPs and other stakeholders across the value chain.

Fragmentation

The automotive logistics industry continues to face many structural problems which are largely rooted in much of the sector being overly fragmented. This shapes and characterises many of the challenges the industry faces: slim profit margins, a chronic lack of investment in capacity, digitalisation and modernisation, and perhaps most importantly, difficulty in investing for the long-term green transition towards a zero-carbon future.

Resilience

Furthermore, the scars of the Covid crisis remain and the lessons are still being learned. For OEMs, tier suppliers and automotive logistics providers alike, resilience remains at the top of the agenda. All stakeholders are asking themselves how can they gain greater control of their destiny ?

How can they avoid the semiconductor shortages? How can they avoid the rail capacity crisis? What about Ro-Ro capacity shortages?

Tools

There are a wide range of tools that stakeholders can deploy to address these challenges. The most obvious is digitalisation to achieve visibility and enhance network optimisation. Risk sensing and supply chain management are also important tools. For example, awareness around potential strikes and weather events. Geopolitical understanding and awareness can also be regarded as advantages. Long-term partnerships, collaboration and cooperation are tools. Furthermore, nearshoring, regionalisation and localisation can also be included in the mix of deployable tools.

Opportunities

Nonetheless, uncertainty around volumes, policy and business continuity all hinder investment and long-term planning. This is particularly so when trying to address major industry issues around visibility, digitalisation and the transition to sustainability.

However, these challenges can also be turned into opportunities, particularly around reframing the shift to sustainability as being a competitive advantage to exploit. The challenges also offer potential partnerships and opportunities in developing green logistics services, technologies and infrastructure, plus much-needed collaboration that will be essential for achieving transparency and visibility across the automotive logistics sector.

Table 7.1 North American automotive inbound logistics trends

Short-term trends

Supply chain planning to help inventory levels Supply chain disruption, complexity, and fluctuating in production and demand increasingly make managing inventory critical to ensure better cash flow. Excess stock can result in a misallocation of labour, warehousing and logistics costs, and too much inventory can really hurt the suppliers balance sheet. Therefore, increased focus is being placed upon supply chain planning to reduce costs.

Increasing complexity is a challenge. Supply chain complexity is growing, but there are pain points around border complexities / delays, and potential US East Coast port strikes. The solution is increased focus upon collaboration, visibility.

Cost reduction / cost pressures. OEMs are keen to reduce costs across the supply chain to lower vehicle purchase prices, particularly for EVs. Nd inbound logistics is a key area identified as an area to make savings.

Normalising container shipping freight rates. These have led to a softening container freight market in 2023. However, container rates have spiked upwards again during 2024 because of geopolitical events, weather and long routes. And there are concerns that they could continue at these elevated rates.

Visibility, transparency and digitalisation – risk-sensing tools. Investment is needed in new technologies to achieve better visibility and transparency, and fleet optimisation and efficiency to build more resilience into supply chains to respond to geopolitical events, macroeconomic uncertainty, weather events, strikes and infrastructure failures.

Flexibility in logistics. Companies need to adapt to fluctuating powertrain EVs vs. HEV vs. ICE mixes and to slowing investments in EV and battery supply chains. There are also concerns with safety regulations, battery charging infrastructure and how to mitigate battery degradation caused by heat.

Labour shortages. There are particular shortages of skilled haulaway truck drivers, and the skillsets are changing. Replacing an experienced but ageing truck driving workforce with younger drivers is a challenge. In that context recruiting and retaining talent is proving costly.

Road freight recession. Overcapacity remains resulting in low freight rates in road freight, in partially full LTL truck fleets.

Industry consolidation. Automotive inbound logistics is highly fragmented and competitive. This makes the industry ripe for further industry consolidation, with the expectation of further M&A activity likely to continue to reduce costs, exploit synergies, enhance efficiency and improve competitiveness.

Unionisation and wage increases. Recent wage increases across the automotive industry also potentially impact overlapping staff such as in-plant logistics and inbound logistics. These increased costs are driving an interest in developing automation to reduce labour costs, including AGVs, automated forklifts and autonomous trucks.

Medium to longer-term trends

Inflation Reduction Act. The huge subsidies, grants and incentives it provides are driving a renaissance of investment in North American automotive manufacturing and new business opportunities for logistics players involved in inbound logistics.

Adjusting to large-scale electrification and battery supply chain investments. Rapid investment in the EV battery supply chain is proving challenging for logistics providers given pre-existing capacity challenges. The battery supply chain is also becoming more regionalised, shortening supply routes. New battery capacity creates opportunities, but it also challenges suppliers to meet the materials supply and logistics required.

Regionalisation/localisation. The IRA policy will be a major driver for regionalisation and localisation. In response to VUCA, and the experience during the Covid pandemic, inbound supply chains are being shortened through regionalisation / localisation, gradually making logistics more resilient. Furthermore, the regionalisation/localisation trend is also being strongly driven by the shift to electrification which is driving shorter supply chains.

Sustainable transport modes. Regulatory mandates are compelling logistics operators to invest in carbon-neutral fleets, fuels and infrastructure. However, investing in the green transition is inherently challenging when logistics margins are slim, and most of the industry is highly fragmented with little or no coordinated industry-wide strategy.

Longer-term relationships and contracts. These are beneficial for all stakeholders but must also have flexibility to adapt to evolving business conditions.

Mexico as a growth opportunity. USMCA and protectionist import tariffs will drive increasing production volumes in Mexico.

Source: Automotive Logistics

Table 7.2 North American automotive outbound FVL trends

Short-term trends

Supply chain planning to help with FVL inventory levels. Fluctuating demand results in OEMs struggling with high inventory of unsold vehicles in certain segments, particular EVs, and so it is critical to manage a well-balanced supply chain. The challenge is getting the supply/demand balance right, and the extra costs it brings in vehicle inventory storage costs. Average inventory levels across the US have now recovered to pre-pandemic levels, increasing from 950,000 vehicles in June 2022 to around 2.8m vehicles in June 2024. This clearly has implications for logistics along the entire value chain from ports to compounds, yards and dealerships

Increasing complexity is a challenge. With fluctuating inventory levels, there are pain points around border movements / delays, and potential US East Coast port strikes, which all adds complexity to FVL.

Cost reduction / cost pressures. OEMs are keen to reduce costs across the entire value chain to reduce overall vehicle purchase prices, particularly for EVs. Finished vehicle logistics is a key area identified as an area to make savings.

FVL capacity constraints because of Ro-Ro/PCTC shortages. Finished vehicle ocean services continue to be challenged **by** geopolitical disruption in the Red Sea and Suez Canal, and drought in the Panama Canal, plus longer Ro-Ro routes, all which affect capacity and push up day rates. Consequently, there is a very large backlog of 200+ PCTC orders on the books. Added to which there are constraints felt at the vehicle-handling ports. Fundamentally, there has been a chronic lack of investment in network capacity. However, investing in this capacity is problematic when industry margins are slim and providers need to retain flexibility to accommodate future volume fluctuations.

Uncertainty over market outlook. Production volatility and capacity constraints continue to impact finished vehicle logistics. One of the industry's mitigating strategies has been to encourage collaboration, trust and partnership and share information, and invest in transparency and digitalisation to share volume data.

OEMs chartering their own truck fleets. This is a short-term solution to a longer-term problem in FVL capacity challenges. However, many industry observers believe it is not a long-term solution to more structural problems around a lack of capacity and transparency, and the need for greater collaboration to build resilience.

Increase in containerised car deliveries. Particularly on the US east coast, due to the shortage of Ro-Ro capacity. This is not intended to replace Ro-Ro or autoracks, but is becoming normalised as part of the mix to fill certain capability gaps.

Labour shortages. Labour shortages have been most noticeable among truck drivers, especially among haulaway drivers. It has been a challenge to replace an ageing skilled workforce with new younger drivers.

Data sharing/democratisation. Collaborative platforms such as Cofinity-X are set up to share data. However, there is some caution and there are legal barriers to information sharing such commercially sensitive data. There are also technical barriers around how different systems are being used.

Real-time visibility, digitalisation and improving ETA accuracy. Digitalisation of FVL has always been a challenge. However, when there are FVL capacity shortages in the face of high inventory levels, then enhancing network design, optimising fleet efficiency and managing customer expectations is important. That is achieved by improving estimated time of delivery (ETA) accuracy for new vehicles. Slim margins make investment challenging and what is often perceived as a conservative mindset in automotive logistics also hampers this much needed industry modernisation.

FVL has lagged behind in network planning and digitalisation. Traditionally, finished vehicle logistics has often lagged behind the rest of the automotive logistics industry in network planning and digitalisation. Again, the slim margins and industry mindset make investment of this type challenging.

Source: Automotive Logistics

Building more capacity and resilience into the FVL network. Having learned the hard lesson from the Covid pandemic, all stakeholders are keen to build in more resilience to their planning, networks and strategies.

FVL developing more holistic network design uniting logistic teams into one. There are moves to harness data and analytics, such as enhancing control tower visibility, digitalisation and improving ETA accuracy, but FVL is still lagging behind in digitalisation.

Developing new longer-term contracts, partnerships and relationships across FVL. Nonetheless, stakeholders on both sides are insisting on some contract flexibility to accommodate evolving business conditions.

Larger/heavier vehicles. These reduce load factors and impact profitability. On average, vehicles are getting larger and heavier. Not only are OEMs phasing out production of smaller, unprofitable entry-level vehicles, they are also actively pushing more profitable SUVs. Furthermore, greater regulation around crash protection, increasing standard features and electronics, plus EVs with their heavy batteries, leads to a situation where car carriers will often 'weight out before they cube out'.

FVL industry consolidation. The North American automotive finished vehicle logistics industry is highly fragmented, and this creates many ongoing challenges for the industry around profitability, investment, collaboration and modernisation. Therefore, the industry is ripe for further industry consolidation, with expected M&A activity to continue to reduce costs, exploit synergies, enhance efficiency and improve competitiveness.

Medium to longer-term FVL trends

Electrification and need for safety and charging standards, plus weights and dimensions changes. Electrification in North America has lagged Europe and China, However, that lag is in one way an advantage for North America. As OEMs and LSPs start distributing the rising number of EVs, stakeholders are looking at operations in other regions, to learn from early adopters. Furthermore, greater collaboration is needed to establish safety protocols and charging infrastructure standards from the current plethora of competing standards and protocols for each manufacturer.

Sustainable transport modes. One of the medium-term strategies by OEMs and LSPs alike is to try and move freight and finished vehicles to rail, which has much lower emissions.

Longer term, investing in a zero-emission future is going to prove highly challenging, especially given the slim margins across the industry which limits investment. The industry is also highly fragmented and lacks strategic coordination towards net zero. It's therefore going to be a case of balancing investment and partnerships in carbon-neutral fleets, fuels, and infrastructure.

Trucking/road based FVL remains highly fragmented. Increasing competition, reducing margins, and limiting investment. However, Class 1 railroads are much more consolidated.

Shift to longer-term contracts, partnerships and relationships between FVL providers and OEMs – but with a sensible and pragmatic level of flexibility.

Increasing Chinese import volumes. In the longer term, despite severe import tariffs being imposed upon Chinese vehicles, these are still likely to penetrate the North American market and affect FVL flows, particularly as many Chinese OEMs are procuring their own Ro-Ros.

Mexico as a growth opportunity. USMCA and protectionist import tariffs are likely to drive increasing production volumes in Mexico.

Source: Automotive Logistics

7.2 Recommendations

Enhance supply chain planning

In response to production and demand fluctuations, disruption, and volatility, OEMs and tier suppliers alike are looking to enhance their supply chain planning and implement a lean approach to minimize costly component stock levels on the inbound side and expensive finished vehicle inventories on the outbound side. Therefore, logistics companies that can support and collaborate with OEMs and tier suppliers to implement systems and software to create well-balanced supply chains and optimise vehicle inventory levels will be in a favourable position.

Embrace complexity

Supply chain complexity is growing and is being exacerbated by pain points around border complexities / delays, and potential US East Coast port strikes. For logistics players, the solution is to create more resilient transport modes, processes, systems and software and increase collaboration and visibility to achieve the required agility and flexibility that are required in such scenarios.

Offer more cost-effective solutions

OEMs have made it clear that vehicle price-wars means that they are ruthlessly examining every part of the supply chain to lower vehicle purchase prices, and particularly for EVs to make their vehicles more price-competitive. Logistics companies need to respond to this changing market reality by finding cost efficiencies and developing new logistics services at lower cost. For example, by developing more integrated end to end solutions.

Invest in digitalisation, visibility and transparency

Digitalisation of automotive logistics, in the inbound, FVL and service parts sectors has always remained a challenge. Slim margins make investment challenging, and what is often perceived as a conservative mindset in automotive logistics also hampers this much-needed industry modernisation. However, the ROI is clear, as the potential gains in network efficiency, resilience, meeting customer expectations and profitability are significant and should justify the initial investment.

Sustainability as a competitive advantage

Investing in transitioning to green fleets is increasingly being mandated by government. However, rather than resist and delay this transitional cost, the key to achieving this is to reframe the sustainability debate. For example, contract tenders should recognise that investment in lower fleet emissions can be perceived by clients as a selling point, and therefore it is a competitive advantage as it is an attribute that clients such as OEMs or tier suppliers are actively seeking to be associated with.

Foster longer – term partnerships, collaboration & cooperation

Many of the challenges facing the logistics sector, such as increasing new capacity, investing in digitalisation, building resilience, and transitioning to sustainable transport modes all require considerable investment. However, within a slim margin business climate, for logistics providers to be expected to invest in new capacity, and also transition to zero emission transport modes, this highly capital-intensive business requires a commitment from and longer-term partnership with OEMs, tier suppliers and other stakeholders to justify that investment.

Short-term transactional relationships amongst both LSPs and OEMs only encourage short-term business survival. Long-term investment to solve major industry challenges requires long-term planning, long-term contracts, and mutually beneficial partnerships across industry supporting investment over a long-term horizon.

Beyond formal M&A, JVs and alliances, perhaps more realistically this means fostering longer-term contracts, partnerships, collaboration, cooperation, memorandums of understanding (MOUs) with other stakeholders to address those common industry challenges.

However, those long-term contracts and business relationships must not shackle and constrain inevitable changes in the business outlook. Flexibility needs to be built into contracts around pricing structures, and also to allow both parties to modify and evolve the relationship, according to business needs, without completely ending the contract. This endows more confidence and continuity to encourage stakeholders to invest with more certainty for the long-term.

Industry opportunities

Notwithstanding the huge industry investment transformation that is required across automotive logistics, there are many industry opportunities ahead and these will be vital for stakeholders to grasp when adapting to a rapidly evolving automotive industry landscape.

IRA driving a renaissance in North American automotive manufacturing

The Inflation Reduction Act provides $30 billion in loans to invest and retool North American automotive manufacturing. It also offers $10 billion in tax credits to build clean technology manufacturing facilities, and a further $2 billion in grants to retool existing vehicle making plants to make clean vehicles.

The policy is openly protectionist and is intended to drive investment to reshore production within the US, and anywhere with which the US has a free trade agreement.

For example, under the US government's Clean Vehicle Credit, the subsidy only applies to vehicles that have undertaken final assembly in the US, Puerto Rico, Canada or Mexico. The IRA follows similar funding pledges in the US Infrastructure Bill and its Chips Act, aimed at wider investment to reshore within North America strategically critical industries such as EV batteries, semiconductors and green energy.

From an automotive logistics perspective, this will influence particularly the inbound side. There is likely to be a range of new logistics business opportunities to support those new supply chains and new logistics routes, particularly around EV battery gigafactories and other EV components – see **Table 3.2**. And there will be a host of new clients including battery cell manufacturers, but also potentially further upstream with battery components, and even the transport of the raw minerals.

From an FVL standpoint it is also likely to help lead to more finished vehicle manufacturing occurring within North America, rather than imports from overseas, which is very much the intention of the government legislation.

Regionalisation

The IRA legislation also mirrors a parallel trend to reshore, nearshore, or 'friend-shore' the automotive supply chain to improve resilience in response to the Covid crisis.

This is driving a strong regionalisation and renaissance in North American automotive manufacturing, particularly for new technology such as semiconductors, electric vehicles and batteries, which are subject to strict rules of origin to be eligible for the tax breaks.

On the production supply side, the IRA subsidies and incentives linked to rules of origin around EVs and battery supply chains, reinforced by USMCA rules of origin, are a powerful 'pull' factor for automotive investment. Together, they are likely to lead to a resurgence in North American automotive manufacturing, as well as a medium-term increase in inbound automotive logistics.

EV supply chain as an opportunity

The powerful reshoring and regionalisation of new auto investments is further reinforced by the strong imperative to regionalise and localise EV and battery production and supply. That is primarily because batteries are heavy (400kg/1,000 pounds) and logistics is therefore inherently expensive, but from a production standpoint it is also to help ensure security of that battery supply. From a high-level government strategic and also industry perspective it also helps capture the newly emerging and lucrative battery supply chain, preventing Asian companies stealing the prize.

This creates numerous opportunities to develop new specialised logistics services around battery storage, warehousing transport (and in the longer term) reverse logistics services for the EV battery supply chain. But also potentially further upstream to the battery components and even for raw materials logistics.

Mexico as a growth opportunity

The IRA and USMCA are both driving investment in Mexico for automotive manufacturing, with a corresponding increase in inbound logistics and finished vehicle volumes, which is a growth opportunity. However, with volume increases, there are signs that already limited logistics capacity may struggle to keep pace. There are particular concerns around US / Mexico border congestion and the capacity of the rail network. There are also capacity concerns around port handling.

In terms of FVL volumes in and out of Mexico, there are concerns around the increasing size of vehicles and the impact upon logistics carriers.

It is clear that the growing Mexico production and border crossing into the US and Canada will require much more investment, especially in rail capacity as a priority. GM, which has a major production plant in Mexico, is one carmaker keen to solve this challenge in FVL capacity across the US / Mexico border.

Referencing the growth in automotive production in Mexico, other railroad automotive logistics companies have also commented on how capacity needs to be developed across all assets, not just railcars, meaning there are likely to be a range of new opportunities across all automotive logistics modes.

Glossary

3PL	3rd Party Logistics provider
4PL	4th Party Logistics provider
Aftermarket	Replacement / spare parts purchased to maintain the vehicle
CAGR	Compound Annual Growth Rate
CBU	Completely Built Up
CEU	Car Equivalent Unit
CKD	Complete Knock Down
CO2	Carbon of a container ship and a Ro-Ro ship
Consolidated	An industry with only a few of competing companies within the sector
Con-Ro	A hybrid of a container and roll-on roll-off vessel
Contract logistics	Taking responsibility of one specific part of the supply chain
Control tower	Coordinates logistics activities along the customer‘s value chain
DDS	Dedicated Delivery Services (DDS)
ETA	Estimated Time of Arrival
EV	Electric Vehicle
Fragmented	An industry sector with a large number of competitors and no dominant player
FTL	Full Truckload
FVL	Finished Vehicle Logistics
FY	Financial Year
GWh	Gigawatt hour
H1 / H2	First and second half of the year
HEV	Hybrid Electric Vehicle
ICE	Internal Combustion Engine
Inbound	The flow of components and materials into a production plant
Intermodal	Movement of cargo using several modes of transportation, each with a different carrier, and each leg requiring a separate contract.
IRA	The US Inflation Reduction Act
JV	Joint Venture
Last mile	The last leg of the delivery of the component / vehicle to the end user
LCL	Less-than-Container Load
LLC	Limited Liability Company
LLP	Lead Logistics Provider
LNG	Liquefied Natural Gas
LSP	Logistics Service Provider
LTL	Less Than Truckload
M&A	Mergers & Acquisitions
Milkrun	Transporting mixed loads from various suppliers to one customer
Multimodal	Operating or using multiple logistics modes such as road, rail, ocean, and air
OEM	Original Equipment Manufacturer
Outbound	Usually referring to finished vehicle logistics from OEM plants to dealerships
Over the road	Long haul trucking over large distances
Pass through	When an LLP / 4PL receives the overall logistics contract revenues and ‘passes through’ most of the revenues to the 3PL
PCTC	Pure Car & Truck Carrier
POV	Previously Owned Vehicle
Reverse logistics	The route returning a faulty or recyclable component back to the manufacturer
Ro-Ro	Roll-on, Roll-off
Ro-Pax	Roll-on, Roll-off vessel with passenger accommodation
Service Parts	Replacement / spare parts purchased to maintain the vehicle
SKD	Semi-Knock Down
SUV	Sports Utility Vehicle
TEU	Twenty-foot equivalent unit
Tier supplier	A company that supplies materials, components, or systems to OEMs
TMS	Transport Management System
Unionised	A company with trade union presentation of the workforce
USMCA	United States-Mexico-Canada Agreement
VDC	Vehicle Distribution Centre
WCI	World Container Index

Logistics companies

Accelerated Services LLC
Acertus
Adampol
Agility Global Integrated Logistics (GIL)
Air France-KLM
Allied Automotive Group
Alterri Distribution Center, LLC
Apex International
APL Logistics
APL Logistics Vascor Automotive
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DSV
Ekol Lojistik AS
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Mitsui O.S.K. Lines (MOL)
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Transfast Logistics
trans-o-flex
Transports Devoluy
Transports Perrier
Transworld feeders / Feedertech
Tribeca Automotive
Unico Logistics
Unifeeder
Union Pacific Corporation
Unipart Logistics
United European Car Carriers (UECC)
United Road
UPS
URS Midwest
US Auto Logistics
Vascor
Visible Supply Chain Management
Vision Auto Transport
Wallenius Lines
Wallenius Wilhelmsen
Wallenius Wilhelmsen Logistics
Wallenius Wilhelmsen Ocean (WW Ocean)
Wallenius Wilhelmsen Solutions (WW Solutions)
Whiplash
XPO
Yusen Logistics
Zenith Freight Lines, LLC (Zenith

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CVC Capital Partners
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BMW
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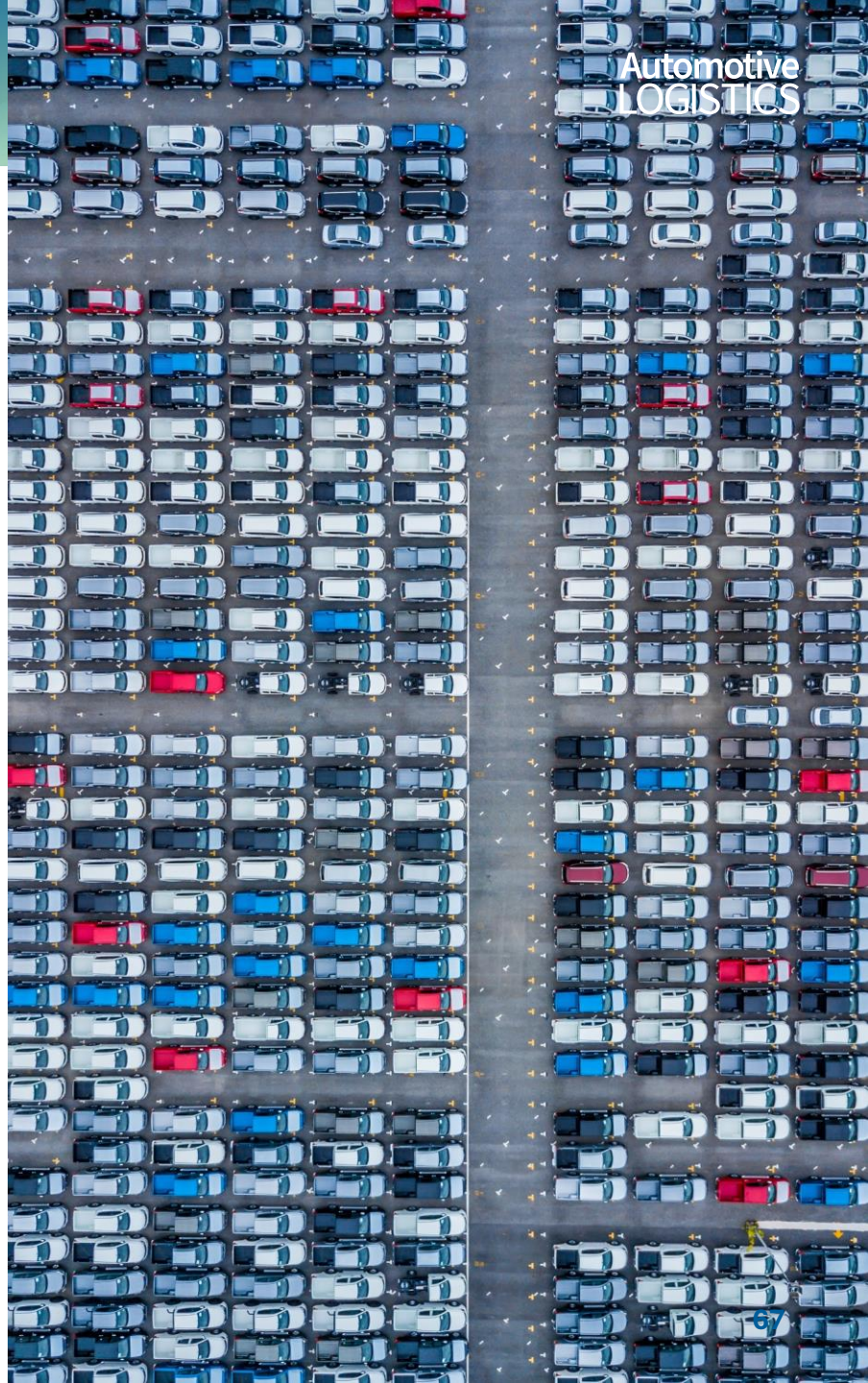

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