

Express market to return to growth in 2010

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The global express parcels market will contract by 13% in 2009 according to the latest figures revealed by Transport Intelligence in its just-published report, Global Express 2010.

The international express sector has been even more badly affected by the economic downturn, with revenues expected to fall by 14.5%, hit by the meltdown in world trade at the beginning of the year, and only just recovering.

However the report's author, Joel Ray, expects the magnitude of the fall in 2009 to be a one off and for the market to return to growth.

"When manufacturers and retailers were forced to run down inventory levels at the beginning of the year, the express industry was badly affected. The latest quarter shows that revenues are starting to recover, and we expect positive growth over the coming years, albeit at low levels."

Following such a substantial fall in revenues, it will take some time for the market to rebound. For example, Ti does not expect either the domestic or international express parcels market in Europe or North America to reach 2008 levels until after 2012.

One exception will be the Asia Pacific international express market, fuelled by growth from China. The Middle East has been the least affected of all the regions, and will also show strong growth in the future, helped by a recovering oil price and a general global upturn.

Opportunities for higher levels of growth still exist, but express companies must look further afield, according to Ray. "To achieve the sort of growth rates which many express companies have been used to over the past decade, they will have to invest heavily in emerging markets. Our report highlights the potential for markets such as Russia, Turkey and Brazil as well as more established markets in China and India."

Global Express 2010

The Global Express 2010 report traces the origins of the global express parcels industry looking at the main trends and developments; the key players; market sizing and forecasts of growth up to 2012. In particular it details the emerging markets where growth opportunities are likely to be highest.

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