

FREIGHT MOVEMENT TRENDS

Recession-hit hauliers change work habits

The RHA's price movement survey suggests that increases in freight exchange and carrier network activity should not be read as signs of a more rosy economic outlook. **Peter Shakespeare** reports

Llyall Creswell, managing director of the Transport Exchange Group (TEG), says that despite the continuing economic downturn there has been a huge rise in activity on his Courier and Haulage Exchanges.

On September 17 Creswell says he saw the largest number of posted loads and confirmed bookings for one day in his company's nine-year history. Bookings made through the exchanges were up by 13.3% in the second quarter of 2009 compared with the same period last year. There was a 74% rise in haulage loads – loads suitable for vehicles of 17 tonnes or more – on Haulage Exchange in August, and in the same month the overall 'goods to move' postings were up by 12% year on year.

Creswell explains: 'We saw a significant upsurge in activity on Courier Exchange and Haulage Exchange during the summer. As the recession continues to penalise operators struggling with high fixed costs, transport operators are increasingly recognising the many benefits our transport exchanges provide.'

'Using our services, transport operators can work together and share the cost burden of rising fuel

prices, congestion charges, tolls and complying with onerous legislation. Our solutions also help businesses reduce their carbon footprints and make their distribution greener. With the environment becoming increasingly important to more and more customers, this can provide them with a competitive advantage.'

Record number

APC Overnight has also announced that a record number of consignments passed through its hub in the last quarter. Jon Barber, marketing director, says this demonstrates positive signs for both the UK economy and the company in general. APC Overnight has more regional depots than any other UK carrier, allowing the company to offer a more personal service to customers as well as providing industry-leading delivery performance and cost-effectiveness.

But indications picked up from the RHA's price movement survey suggest that the gains made by such organisations are only an indication that hauliers are increasingly turning to the freight exchanges and networks to make ends meet. The RHA's specialist

manager – responsible for the RHA's price movement survey – Ray Engley says: 'Other than those haulage firms working in the foods sector, the general picture is still pretty grim. Yes, the freight exchanges



are having a good time of it, but it is because transport operators are struggling to get the rates they enjoyed prior to the recession and need to maximize vehicle utilization and avoid unprofitable journeys. This means they now accept work they might have turned down before, but then post it on a freight exchange or put it through a network.

'In addition, because many hauliers have lost direct return-load business, they use the freight exchanges to find back-loads to enable them to run profitably. They have to improve the efficiency of their operation and reduce their carbon footprint, so the boom the freight exchanges and networks are enjoying is really a sign that hauliers are having to change the way they work to survive. Conditions in the economy are not improving.'

Creswell: 'Using our services, transport operators can work together and share the cost burden of rising fuel prices, congestion charges, tolls and complying with onerous legislation'

