

# Fifth Party Logistics Market to Reach USD \$17.30 Billion with a CAGR of 6.5% by 2035

*The global fifth party logistics market is projected to reach \$17.30 billion in 2035, registering a CAGR of 6.5%.*

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EINPresswire.com/ -- According to a recent report published by Allied Market Research, titled, "[Fifth Party Logistics Market](#) by Type, and Application: Global Opportunity Analysis and Industry Forecast, 2025–2035," The global [fifth party logistics market size](#) is expected to be valued at \$9.21 billion in 2025, and is projected to reach

\$17.30 billion in 2035, registering a CAGR of 6.5%



The concept of Fifth Party Logistics (5PL) represents the cutting edge of logistics and supply chain management. Here are some key points highlighting the importance of 5PL:

1. Advanced Technological Integration:

- o Automation and Efficiency: 5PL integrates advanced technologies such as artificial intelligence, IoT, and big data analytics. This leads to highly automated processes and increased efficiency in supply chain operations.

2. Holistic Supply Chain Management:

- o End-to-End Visibility: 5PL providers offer comprehensive visibility across the entire supply chain, enabling businesses to make informed decisions based on real-time data. This holistic view enhances control and responsiveness.

3. Data-Driven Decision Making:

- o Strategic Insights: With a focus on data analytics, 5PL allows for strategic decision-making. Businesses can analyze trends, identify opportunities for improvement, and optimize their supply chain based on actionable insights derived from data.

#### 4. Adaptability and Flexibility:

- o Agility in Operations: In a dynamic business environment, the ability to adapt quickly is crucial. 5PL, with its technological integration, enables a high degree of adaptability and flexibility in responding to market changes, disruptions, and customer demands.

#### 5. Globalization and Complex Supply Chains:

- o Managing Complexity: As supply chains become more global and intricate, 5PL providers excel in managing this complexity. They facilitate seamless coordination across various regions and supply chain partners.

#### 6. Optimized Resource Utilization:

- o Resource Allocation: Through sophisticated algorithms and analytics, 5PL providers help optimize the utilization of resources such as transportation, inventory, and storage, leading to cost savings and improved sustainability.

#### 7. Risk Mitigation:

- o Resilience: 5PL emphasizes risk management and mitigation. The advanced systems in place enable quick identification of potential risks and the implementation of strategies to minimize disruptions.

#### 8. Customer Satisfaction:

- o Enhanced Customer Experience: The end-to-end visibility, efficiency, and adaptability provided by 5PL contribute to a better customer experience. Deliveries are more reliable, and businesses can respond promptly to customer needs and preferences.

#### 9. Innovation and Competitive Advantage:

- o Staying Ahead: Adopting 5PL reflects a commitment to innovation in supply chain management. Businesses leveraging 5PL gain a competitive edge by staying ahead of industry trends and meeting the expectations of a rapidly evolving market.

#### 10. Environmental Sustainability:

- o Green Logistics: 5PL, by optimizing routes, reducing waste, and enhancing overall efficiency, contributes to environmental sustainability. This aligns with the growing emphasis on eco-friendly business practices.

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U.S. is expected to dominate the global [fifth party logistics industry](#) in 2025, the growing e-commerce industry in United States support the fifth party logistics market due to the rising demand of efficient supply chain by manufacturing companies, as well as 3PL and 4PL companies. With the growth of the e-commerce sector in the U.S., start-ups related to on-demand and cloud-based warehousing, such as Stord, Flexe, and FlowSpace, are gaining

popularity. These companies are also being awarded long-term projects by their customers and some companies also offer fulfillment services. For instance, in December 2020, Flexe, an on-demand warehousing and technology platform used by retailers, such as Walmart, has raised \$70 million in funding to make logistics networks more elastic in the U.S.

The prominent factors that drive the growth of the fifth party logistics market share include rise in the global trade and increasing efficiency of supply chain. Moreover, technological advancement and introduction of blockchain is expected to propel the growth of the fifth party logistics market. The countries such as China, India, and Brazil are growing economies. Thus, the demand for end to end supply chain network management is witnessing prominent growth in these countries, which is expected to provide lucrative opportunities for the growth of the fifth party logistics market in the region.

The market of the fifth party logistics is closely associated with the logistic activities across the globe. The COVID-19 crisis is causing uncertainty in the logistic market by delaying supply chains, hampering business growth and generating uncertain demand scenarios.

By type, the fifth party market is segregated into transportation, warehousing and other services. The transportation segment accounted for the highest revenue in 2025, as companies are continuously fifth party logistics solutions for supply chain optimization and minimizing the transportation cost.

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### COVID-19 Impact Analysis

The COVID impact on the logistics market is unpredictable and it is expected to remain in force till the second quarter of 2021.

The COVID-19 outbreak forced governments across the globe to implement strict lockdowns and made social distancing mandatory to contain the spread of the virus. This led to a sudden downfall in global trade, which further reduced the demand for logistics across the world.

Moreover, the nationwide lockdown forced the logistics service providers to partially or completely shut their operations which resulted in delays in the supply chain activities.

Rise in pharmaceutical and e-commerce sales owing to the pandemic has increased the demand for the logistics market.

### Key Findings Of The Study

By type, the warehousing segment is expected to register a significant growth during the forecast

period.

On the basis of application, the logistics companies segment is anticipated to exhibit significant growth in future.

Region wise, Asia-Pacific is anticipated to register the highest CAGR during the forecast period.

Key players in the industry-

- Toll Holdings Ltd
- Boston Consulting Group
- Maine Pointe
- DHL International
- McKinsey & Company
- Deloitte
- Renaissance Network Reinvent
- Bain and Company
- 5PL Logistics Solutions LLC
- MGL Global Logistics

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