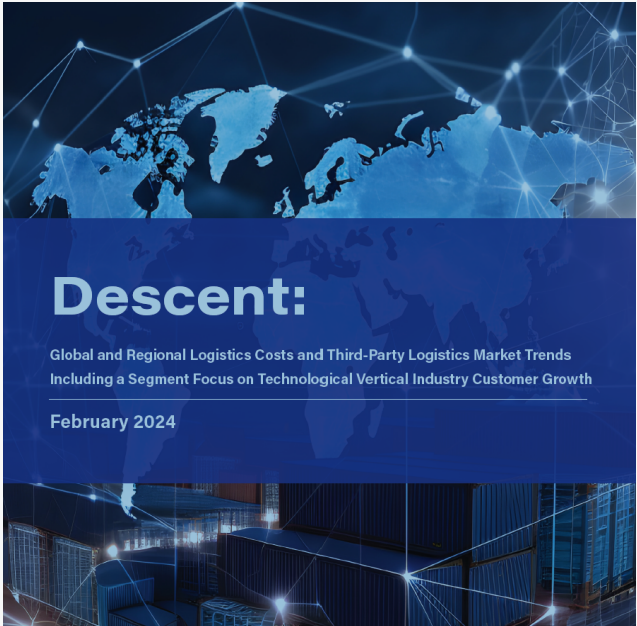


# Latest Global and Regional Logistics Costs and Third-Party Logistics Market Trends


*Descent: Armstrong's Latest Global and Regional Logistics Costs and Third-Party Logistics Market Trends with a Focus on Tech Vertical Customer Growth*

BROOKFIELD, WI, USA, February 22, 2024 /EINPresswire.com/ -- Armstrong & Associates, Inc. (A&A), an internationally recognized leader for third-party logistics market information and consulting, releases its latest market research report "Global and Regional Logistics Costs and Third-Party Logistics Market Trends Including a Segment Focus on Technological Vertical Industry Customer Growth."

According to A&A's latest report, 2023 was generally a downtrodden year for third-party logistics providers (3PLs) with plummeting transportation rates and shippers focused on right-sizing inventories and reducing logistics costs. International Transportation Management (ITM) 3PLs saw rapid declines in air and ocean demand and rates. Global air cargo freight rates decreased as much as 41% in Q2 of 2023 versus the prior year. Air cargo capacity and revenues started to recover in late 2023 after 17 months of consecutive decline. Domestic Transportation Management (DTM) 3PLs became hyper-focused on contractual transportation management business and managed transportation versus spot-market freight brokerage as truckload demand waned and rates declined to under the five-year average causing a freight recession. The impact was widespread and even included last-mile delivery providers which benefited from strong e-commerce demand during the pandemic shutdowns. For Value-Added Warehousing and Distribution (VAWD) 3PLs, inventories have stabilized and some space has freed up. There has been an increased focus on fine-tuning warehouse pricing and improved bid performance. Shippers see this as a good time to put out RFPs (Request for Proposals). Dedicated Contract Carriage (DCC) hung in there due to the contractual nature of its transportation agreements; however, pricing pressure persists. In all



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A&A's Latest Global and Regional Logistics Costs and 3PL Market Trends

3PL segments, automation to reduce headcounts and increase efficiencies gained further momentum. Strategic growth initiatives to better position 3PLs in a changing environment took on new importance.

The 2023 global 3PL market decreased to \$1.2 trillion, an 18.5% decrease compared to 2022, but still a 25.3% increase over pre-pandemic 2019. On the plus side, we are expecting COVID-19 recovery will bring much of the developing world into a higher growth mode in 2024 and 2025 but somewhat muted to that of the developed economies in 2021 - 2022. With COVID, 3PL customers realized that supply chains need to be more flexible, and being able to source products and components from multiple countries versus just one, is beneficial. This has driven more nearshoring to Mexico, Malaysia with semiconductors, for example, and Vietnam. China will continue to be an important market and still has many integrated supply chains that are hard to decouple.

Looking forward to 2024, U.S. domestic truckload rates have stabilized to a new lower level and spot market dry van demand is close to the five-year average; reefer is doing even better. Most Domestic Transportation Managers will tell you that we are still in a freight recession, but there is muted optimism for good growth in the second half of 2024. ITM has moderately bounced back from the first half of 2023 and has seen some rate benefit from shipping uncertainty in the Red Sea and reduced ocean traffic through the Suez Canal.

Armstrong's latest report includes Global Third-Party Logistics Market Gross Revenue by Total and 3PL Segment and Logistics Cost estimates from 2016-2026E with revenues and growth rates broken down by key regions and countries. This year's report has a special segment focus on Technological vertical customer growth providing vertical and subsegment revenue estimates and growth rates by key region and country. The report also covers the top 50 3PLs, those serving the Technology vertical, and the top 3PL customers within the vertical.

For more information on A&A's latest report, "Global and Regional Logistics Costs and Third-Party Logistics Market Trends Including a Segment Focus on Technological Vertical Industry Customer Growth" as well as other market research, please visit: [A&A's Guide and Market Research Reports](#).

This year's 3PL Value Creation North America Summit will be held at Embassy Suites Chicago Downtown Magnificent Mile in Chicago, Illinois. To join us as a sponsor or speaker, please call 1-414-545-3838 or contact us here: [request event information](#). For additional details, please visit <https://www.3plogistics.com/3plna2024/>.

#### ABOUT ARMSTRONG & ASSOCIATES, INC.

Armstrong & Associates, Inc. (A&A) was established in 1980 to meet the needs of a newly deregulated domestic transportation market. Since then, through its leading Third-Party Logistics (3PL) market research and history of helping companies outsource logistics functions, A&A has become an internationally recognized key resource for 3PL market information and consulting.

A&A's mission is to have leading proprietary supply chain knowledge and market research not available anywhere else. As proof of our continued work in supporting our mission, A&A's 3PL market research is frequently cited in media articles, publications, and securities filings by publicly traded 3PLs. In addition, A&A's email newsletter currently has over 88,000 subscribers globally.

A&A's market research complements its consulting activities by providing continually updated data for analysis. Based upon its unsurpassed knowledge of the 3PL market and the operations of leading 3PLs, A&A has provided strategic planning consulting services to over 40 3PLs, supported 25 closed investment transactions, and provided advice to numerous companies looking to benchmark existing 3PL operations or outsource logistics functions.

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