A compilation of News About the Freight Market

Feb. 13, 2015

Market Watch

Ontario Trucking Association

3D Disruption or New Freight Fortuity?

Despite capacity crunches, things are going relatively well for freight movers right now – fuel is much lower than where it was this time last year, volumes are increasing, and rates and solidifying while many firms that survived the recession are leaner and more cost effective today. But, as it always seems to go in transportation, observers are already concerned with the next major structural 'threat' to the freight system and one transportation managers will have to consider before too long: 3D printing. According to a new report from Strategy & PwC, 3D printing – seen as a way for manufacturers to streamline operations and lower costs while offering consumers the ability to produce some of their own goods – "has substantial implications for both domestic and international freight businesses, particularly in reducing the importance of some transportation lanes while possibly opening up new ones." Perhaps the salient way that 3D printing could disrupt the transportation sector is through its impact on what goes into a product. Traditionally manufactured items often have dozens or even hundreds of parts that must be produced separately, delivered to a factory, and then assembled. A product made on a 3D printer, by contrast, generally has far fewer parts. As more types of products are manufactured in this way — direct to a finished good instead of assembled from dozens, hundreds, or thousands of parts — the need to procure parts from multiple sources around the globe will be diminished. And that, in turn, will eliminate or greatly reduce component and materials shipments, a mainstay of many transportation-sector business models today. "This probable shift will come atop some weakness in … global commercial transportation lanes resulting from re-shoring efforts. 3D printing … could add significant momentum to the re-shoring trend," states the report. In a recent Strategy& analysis of nearly two dozen industry sectors, air cargo business and the ocean container business is most vulnerable to these types of market shifts. Trucking less so, especially certain truckload and bulk materials sectors that don't lend themselves to other transport modes as well as perishables and pharmaceuticals. While the tipping point for 3D printing is still a few years away and wholesale changes are not imminent, the firm believes at the very least a "diagnostic review is critical, so that transportation companies have a clear picture of and anticipate well what their options are as the volume and variety of products made on 3D printers start to increase." The report offers several suggestions for companies who foresee 3D printing making a difference in their customer accounts, ranging from: rebalancing, adjusting networks and introducing new services as new opportunities open up.

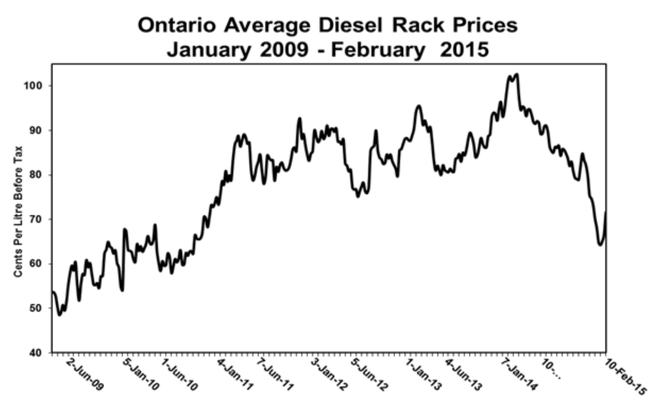
Driver Shortage Fix Needs 'Creative' Tools

The onus is on the trucking industry to find its next generation of truck drivers, says current Truckload Carriers Association Chairman Shephard Dunn of Indiana-based Bestway Express. He says carriers who are most responsive to change are the ones who will continue to grow in an ever-changing marketplace. Welcoming attendees of the 2014 Recruitment and Retention Conference, Dunn stressed that creative strategies are key to attracting new drivers to the industry, adding that "the strategy right now is that nobody's dealing with it." As reported by *Fleet Owner* magazine, Dunn said that driver pay has a role, but it isn't the only solution to winning the R&R game. He pointed to "plenty of carriers" who pay above the industry standard who are also having problems attracting drivers. "There are no silver bullets, and no easy answers." The event, focused on the "New School" in recruiting and retention, offered carriers tips on accommodating new generation drivers: 1) Work more with customers on length of haul" to better fit driver's home needs. 2) Work with sales reps to identify more "driver-friendly freight," from the aforementioned haul lengths to shippers and receivers where detention is not an issue. 3) Any driver quality-of-life improvements "will pay dividends" through recruiting and retention efforts.

Cnd Spot Market Sets Second Highest Mark to Open 2015

TransCore Link Logistics Canadian Freight Index began 2015 by picking up where 2014 left off. January set the second-highest recorded volumes compared to the same month in any year. Noticeable shifts in cross-border load volumes coming into Canada were observed in Ontario and in Western regions. (7 and 24%) Cross-border load volumes averaged 73 percent of the total, an increase of three percent compared to December 2014. Year-over-year, cross-border loads *leaving and entering* Canada to and from the United States decreased eight and 20 percent, respectively. Intra-Canada load volumes represented 23 percent of the total volumes for January and decreased 19 percent y-y.

Diesel Prices



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