Trucking in transition: Potential impacts of 2025 policy change | S&P Global On the regulatory and policy front, California's Advanced Clean Trucks rule and the federal Greenhouse Gas Phase 3 emission regulations will shape the industry's adoption of electrified vehicles through the midterm. In summary, from an economic and new truck demand perspective, the key factor to watch regarding the influence of the new administration on the broad truck market is the extent to which new tariffs may be imposed, affecting macroeconomic indicators, new truck demand and the costs of electric vehicle components and batteries. A shift to Republican leadership is more likely to significantly change the regulatory landscape for trucking in the US, introducing uncertainty and risk to our zero-emission vehicle forecast.Trucking Industry Outlook for 2025: Navigating Economic and Regulatory Challenges - North American Transportation Services Association - NATSA As we approach 2025, the transportation and motor carrier industries face a pivotal year defined by economic headwinds, freight realignments, and evolving regulatory demands. Regulatory Drivers: Emissions compliance regulations, including CARB's mandates, will encourage selective fleet upgrades, particularly for aging vehicles, but overall demand will remain tempered. Clean Truck Regulation Expansion: CARB's Clean Truck Check program will influence fleet upgrades, particularly in emissions-intensive vehicles operating across five states. For fleet operators, 2025 will demand a focus on balancing operational costs, compliance with emerging regulations, and strategic capital investments. North American Transportation Services Association (NATSA)The transportation sector is expected to navigate a challenging environment in 2025, with cooling freight demand and continued adjustments in supply chain capacities. The ACT Freight Composite Index projects a modest increase, though growth is expected to remain below 2024 levels due to softer demand and lingering capacity adjustments.Home Market Insights Blog Trucking Industry Forecast for 2025 The transportation sector is expected to navigate a challenging environment in 2025, with cooling freight demand and continued adjustments in supply chain capacities. The ACT Freight Composite Index projects a modest increase, though growth is expected to remain below 2024 levels due to softer demand and lingering capacity adjustments. While private fleets continue to absorb a larger share of freight volume, diverting it from the spot market, the rate recovery remains prolonged. The medium-duty truck market is projected to contract significantly in 2025, with a forecasted production decline due to continued inventory challenges and economic caution among fleet operators.From political policies to fuel costs and freight recovery, 2025 brings new challenges and opportunities for truckers. Leveraging tools like OTR's Fuel Finder can help you find the lowest fuel prices to keep your operational costs as low as they can be. OTR Solutions helps truckers navigate fuel expenses with tools and insights that support cost-efficient operations. Truck drivers must stay informed and flexible to thrive in a market shaped by trade, fuel prices, and freight rates. Align your operations with market changes and be ready to capitalize on increasing freight demand and rising rates. Whether it's unlocking access to reliable cash flow, navigating fuel price fluctuations, understanding freight market trends, or staying informed on trucking industry news, we're here to keep your business moving forward.Another thing to note going into 2025 is the cost of traffic congestion. In December, ATRI released its Cost of Congestion to the Trucking Industry: 2024 Update. The analysis found that "the trucking industry wasted over 6.4 billion gallons of diesel fuel in 2022 due to congestion, resulting in additional fuel costs of $32.1 billion."Even accounting for the drop in fuel prices, Spot Rates have held fast at or above the $2.00 per mile mark. A more realistic short-term floor for the Spot market is $1.85 per mile at current fuel prices. With wages and benefits being $1.00 of the cost equation, Spot Rates could theoretically drop closer to $1.70 per mile, but that implies OwnerAs we approach 2025, the U.S. energy consumption is expected to experience notable changes across various sectors, particularly in heating, transportation, and fuel consumption. This reliance on transportation fuels, predominantly gasoline and diesel, has profound implications on transportation pricing. As the U.S. looks to the future of transportation energy, the role of alternative fuels will become increasingly important. Looking forward, petroleum and other liquid fuels will continue to dominate the transportation sector, accounting for around 88% of total energy use. Currently, the U.S. uses about 20 million barrels of oil each day, with 98% of vehicles on the road running on petroleum-based fuels like gasoline and diesel. TLI continues to monitor fuel surcharges closely to ensure efficient, cost effective operations in the transportation market.In this post, we'll delve into key topics such as freight demand, capacity challenges, rising operating costs, and the outlook for freight rates closing out 2024 and going into 2025. Many small carriers and owner operators, who form the backbone of the trucking sector, have been forced out due to prolonged periods of low freight rates, rising operational costs, and economic uncertainty. This financial strain underscores the need for truck operators to carefully manage expenses, seek out partnerships or services that can help improve efficiency, and leverage any available opportunities to reduce costs. These shifts underline the importance of staying informed and adapting to the evolving landscape, which promises eventual benefits for the trucking industry and its operators. Trucking Market 2025: Rising Freight Rates, Surging Demand, and Big Opportunities!Tariffs Impact on Trucking Industry: What We Know So Far | MOTOR Combined with the immediate retaliatory actions of Canada and Mexico, the tariffs' impact on the trucking industry could be significant, with the potential to depress near-term truck volumes and, over time, reshape commercial vehicle manufacturing. S&P Global Mobility estimates that the net impact of tariffs on new US truck prices (MHCVs) could be around 9%, after accounting for expected depreciation of the Canadian and Mexican currencies and the relative importance of imported vehicles in the mix. While S&P Global Mobility takes a partial allowance in the Q1 2025 forecast for the possibility of new 25% tariffs on Canada and Mexico, the introduction of 25% import duties is not included in its base case assumptions.Combined with the immediate retaliatory actions of Canada and Mexico, the tariffs' impact on the trucking industry could be significant, with the potential to depress near-term truck volumes and, over time, reshape commercial vehicle manufacturing. S&P Global Mobility estimates that the net impact of tariffs on new US truck prices (MHCVs) could be around 9%, after accounting for expected depreciation of the Canadian and Mexican currencies and the relative importance of imported vehicles in the mix. Together with our colleagues in light vehicle industry analysis, S&P Global Mobility's MHCV forecast team see a scenario with more or less permanently elevated tariffs among the three USMCA members as unlikely. Learn more about S&P Global Mobility's commercial vehicle forecast data and download a data sample.Truckers brace for impact of Trump's tariffs by Nancy Loo - 03/06/25 2:18 PM ET ... US, on Monday, March 3, 2025. US President Donald Trump said he would plow ahead with new tariffs on CanadaThe trucking industry has already felt the impact of tariffs. Section 301 and 232 previously raised the cost of raw materials and components. ... The United States-Mexico-Canada Agreement (USMCA) remains a focal point for the administration, with a mandatory review scheduled for 2026. ... How the 2025 Trucking Industry Outlook Will Affect“If the Trump administration moves forward with proposed tariffs against Mexico, Canada and China, it would impact over 50% of U.S. imports by volume according to Project44 data," said Jenna Slagle, senior data analyst at Project44. "The potential imposition of tariffs on these countries could not only affect U.S. imports and exports, but also disrupt supply chains, including agricultural, manufacturing and automotive products, resulting in higher consumer prices and tense trade relations," she said. "At the time of this writing the tariffs on Mexico and Canada have been delayed by a month, making it unclear whether or not they will be implemented," the LMI stated.The Federal Reserve cut the main interest rate by a half percentage point yesterday to a range between 4.75% and 5%, a welcome move among many manufacturers mired by an industry slowdown in recent months.. Experts, however, are exercising caution with how quickly the cut will translate into a manufacturing recovery, noting that manufacturers aren't likely to see noticeable benefits until nextAs such, we are anticipating growth to return in Q4 2024 and the outlook to be even more positive into 2025. Interact Analysis' Manufacturing Industry Output (MIO) Tracker forecasts out to 2029 and covers a total of 45 countries, across 72 manufacturing end user sectors, 30 machinery sectors and two points in the supply chain (machinery andWith inflation falling in recent months and the job market weakening, a rate cut had been all-but guaranteed for Wednesday with the only question being the size. The 50-basis-point cut (half a percentage point) was larger than the 25bps cut predicted by several economists, including Richard Branch, chief economist at the Dodge Construction Network.Federal Reserve Chair Jerome Powell announced the target rate would be cut 50 basis points, bringing the federal funds rate to a 4.75% to 5% target range. The move comes less than a week after the close of IMTS 2024, the largest manufacturing trade show in the Western Hemisphere.Trucking in transition: Potential impacts of 2025 policy change | S&P Global On the regulatory and policy front, California's Advanced Clean Trucks rule and the federal Greenhouse Gas Phase 3 emission regulations will shape the industry's adoption of electrified vehicles through the midterm. In summary, from an economic and new truck demand perspective, the key factor to watch regarding the influence of the new administration on the broad truck market is the extent to which new tariffs may be imposed, affecting macroeconomic indicators, new truck demand and the costs of electric vehicle components and batteries. A shift to Republican leadership is more likely to significantly change the regulatory landscape for trucking in the US, introducing uncertainty and risk to our zero-emission vehicle forecast.