

Long-Distance Freight Trucking in Canada Industry Market Research Report Now Available from IBISWorld

Industry overall growth has remained positive since 2008 thanks to strong rebounds after economic woes; however, this growth will be slowed by competition from other modes of transportation. For these reasons, industry research firm IBISWorld has added a report on the Long-Distance Freight Trucking industry to its growing industry report collection.

Los Angeles, CA ([PRWEB](#)) March 01, 2013 -- Although the [Long-Distance Freight Trucking industry](#) encountered a rough patch in the past five years, the industry still managed to perform relatively well and post gains. Prior to the economic downturn, demand from manufacturing and retail sectors boosted industry revenue. Additionally, trade was strong and added to revenue growth. However, in 2009 the industry's revenue plummeted 18.5% due to the recession's effects on freight volume and demand. In this year, the total value of trade for Canada fell 21.0%. Luckily for industry operators, revenue has picked up since 2010 due to higher freight volumes, improved trade levels and greater demand from downstream markets. Due to these trends, industry revenue has grown at an average annual rate of 1.6% in the past five years, including a jump of 6.6% in 2013 to reach \$20.3 billion. "Trade levels have increase in double digits following the downturn, and the industry has benefited from trends like just-in-time inventory management," says IBISWorld industry analyst Lauren Setar. Manufacturers only purchase raw materials needed right away instead of purchasing ancillary goods, which must be kept in storage. This process has strengthened demand for industry services.

In the next five years, the industry's growth is expected to strengthen through 2018. Although increased trade, manufacturing and retail activity will stimulate growth, competition from other modes of transportation will curb industry revenue. As fuel prices increase, customers may be inclined to switch to more fuel-efficient methods of shipping goods, intensifying competition. Adding to potential industry struggles is the level of regulation and high turnover rate. Because drivers can face fatigue and unsafe driving after long periods of time on the road, regulations imposing hours of work aim to make the roads safer. However, this limits work hours and reduces a truckers' quantity of shipments. Companies in the industry will need to hire more drivers to make up the time drivers cannot legally be on the road. The industry also faces a large number of truck drivers that will soon be retiring.

The [Long-Distance Freight Trucking industry](#) is highly fragmented and the top four companies account for less than 10.0% of industry revenue combined in 2013. The industry has a low level of concentration primarily due to the low barriers to entry. According to Setar, the industry is dominated by owner-operators; for example, 80.9% of enterprises have one to four employees. With a small amount of starting capital, a potential new entrant could purchase a truck and start a freight trucking company. However, the larger and well-established industry players are the ones that gain long-term contracts and earn higher revenue. Although the industry has a low level of market share concentration, the industry is undergoing a phase of consolidation. Aided by a fall in the number of businesses during the recession, many industry companies have acquired others. In an attempt to grow market share, this acquisition activity is expected to continue in the next five years. For more information, visit IBISWorld's [Long-Distance Freight Trucking in Canada industry](#) report page.

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IBISWorld industry Report Key Topics

This industry provides long-distance general freight trucking between metropolitan areas. The industry provides truckload services as well as less-than-truckload services. This does not include the movement of specialized freight.

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- Key External Drivers
- Current Performance
- Industry Outlook
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