

SUPPLY CHAIN MARKET UPDATE

North America and Europe

May 2026

KEY TRENDS AND CHALLENGES IN U.S. SUPPLY CHAIN MANAGEMENT

1

CARRIER SURCHARGES AND CAPACITY DISCIPLINE DRIVE MAY RATE RECOVERY IN OCEAN

- The global container shipping index rose 3% to \$2,286; Shanghai – Los Angeles rates up 5% and Shanghai–New York up 7% after three weeks of decline
- Major transpacific carriers raised fuel and peak season surcharges in May
- April US container imports fell 5.5% versus last year; China-origin imports down 15% – the rate recovery is driven by carrier capacity tightening, not by rising demand

2

U.S. TRUCKING RATES CONTINUE TO RISE AS SPOT RATES CLOSE IN ON CONTRACT RATES

- Carrier exits and stricter CDL enforcement have further reduced capacity following the post-Covid freight correction of 2023-2025
- Diesel is up 60% since the beginning of the year, having marked impact on trucking rates
- Even excluding the impact of fuel, rates are rising and the contract-spot spread is contracting across dry van, flatbed, and reefer

3


LOGISTICS COST INDEX HITS HIGHEST READING SINCE APRIL 2022 AS TRANSPORT PRICES AND CAPACITY CONSTRAINTS INTENSIFY

- The Logistics Managers' Index transport-price reading surged to 95.0, the second-highest in 9.5 years, while available transport capacity fell to 28.4 – the largest gap ever recorded between prices and capacity
- Total logistics costs hit their highest level since April 2022, with 12-month forecasts even higher – readings at this level have historically preceded a wave of supply-driven inflation

FEATURED TOPIC

Beyond rate negotiations – How the best supply chains are winning in a tightening market
AlixPartners x Redwood Logistics | May 20, 2026

[ACCESS THIS ARTICLE FOR MORE DETAILS HERE](#)




WATCH THE RECORDING & GET THE SLIDES

Beyond Rate Negotiations: How the Best Supply Chains Are Winning in a Tightening Market

Hosted by AlixPartners and Redwood Logistics, learn what top-performing supply chains are doing differently – and the three decisions every supply chain executive should make to avoid absorbing cost increases passively.

Watch the session



When did your logistics partners last bring you an original idea to improve your business?

3PL/4PL Collaboration Maturity Stages Overview, non-exhaustive

Transactional	Developing	Advanced	Strategic Partnership
What it looks like <ul style="list-style-type: none">• Responds to tenders and RFPs• Executes assigned freight• Reports against basic service scorecards• Visibility ends at execution• Highest cost of doing business, limited to no ability to drive cost savings	What it looks like <ul style="list-style-type: none">• Tracks exceptions and late issues• Reviews service performance• Reacts when problems arise• Dedicated support when needed• Moderate cost of doing business, some ability to drive savings	What it looks like <ul style="list-style-type: none">• Proactively surfaces cost, mode, and network opportunities• Translates data into prioritized recommendations with financial impact• Proactive to translate data into prioritized recommendations• Logistics costs partially offset by ongoing improvement	What it looks like <ul style="list-style-type: none">• Joint planning with embedded tools, automation, and AI• Shared technology and improvement roadmap• Surfaces opportunities before problems emerge• Force multiplier for a lean team for shippers• Lowest cost of doing business, value shared between partners

Source: AlixPartners, Redwood Logistics
Please read and review the important information in the Disclaimer on page 15 of this Presentation.

REDWOOD AlixPartners

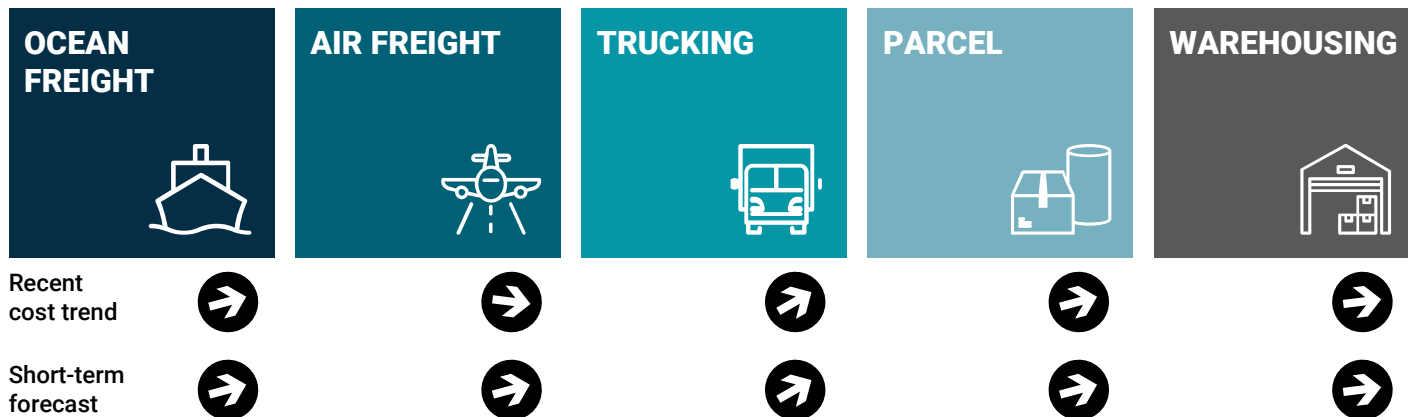
CONTENT SUMMARY



- In this webinar, AlixPartners and Redwood Logistics addressed three questions every supply chain executive should be asking: *Where is my organization most exposed before Q3? Am I getting strategic value from my logistics partners, or paying for transactional execution? And is my organization at risk of falling behind on AI?*
- The answers start with the market: the longest buyers' market in recent freight history is ending. Truckload costs are up 16-17% from 2025, spot rates up 38% year-over-year, and diesel up 60% since January
- On partners, the session introduced a logistics maturity framework to distinguish relationships that advise from ones that merely execute, and the KPIs that separate the two
- Three actions before June 1: segment cost exposure by mode and region, tier your partners and reset underperformers, and identify where AI can improve planning without a major internal build

FREIGHT COSTS

Hormuz disruption, rising fuel costs, and capacity decline are inflating freight spend across all modes



WHAT IS MOST IMPORTANT TO KNOW?

- **Carrier surcharges are driving a May ocean rate recovery, but underlying demand remains weak** – WCI up 3% to \$2,286; SHA-LA +5% to \$3,062, SHA-NY +7% to \$3,721 as MSC and CMA CGM layer EFS and PSS surcharges. April US imports fell 5.5% YoY with China-origin down 15.3%, confirming rate gains are supply-managed
- **Air freight spot rates jumped** 30% YoY with contract rates up 18%, driven by Hormuz-related capacity cuts and airline fuel surcharges
- **Trade-policy whiplash continues with temporary pauses masking structural uncertainty** – The U.S.-China 90-day tariff pause (to 30% from 145%) provides temporary relief, but 100% pharma tariffs, Section 301 probes across 60+ countries, and ongoing Section 122 legal challenges keep landed-cost planning volatile. Q1 imports surged 21.4% YoY as firms front-loaded ahead of tariff escalation
- **LMI signals broadest logistics cost inflation since April 2022** – Aggregate logistics costs hit 242.4 (highest since April 2022); Transport Prices surged to 95.0 (+5.6, second-highest ever), Transport Capacity collapsed to 28.4 (-10.9, largest delta ever). Truckload spot rates are strongest since early 2022, with structural capacity exits and diesel spikes reinforcing carrier pricing power ahead of peak season

WHAT ACTIONS CAN WE TAKE?

- Lock in carrier commitments before peak season – Use the current surcharge-driven rate environment to negotiate fixed-rate contracts with preferred carriers while capacity is still available but tightening
- Stress-test inventory and sourcing plans against tariff pause expiry – Model the impact of tariffs reverting to 145% after the 90-day window and identify alternative sourcing to reduce China dependency

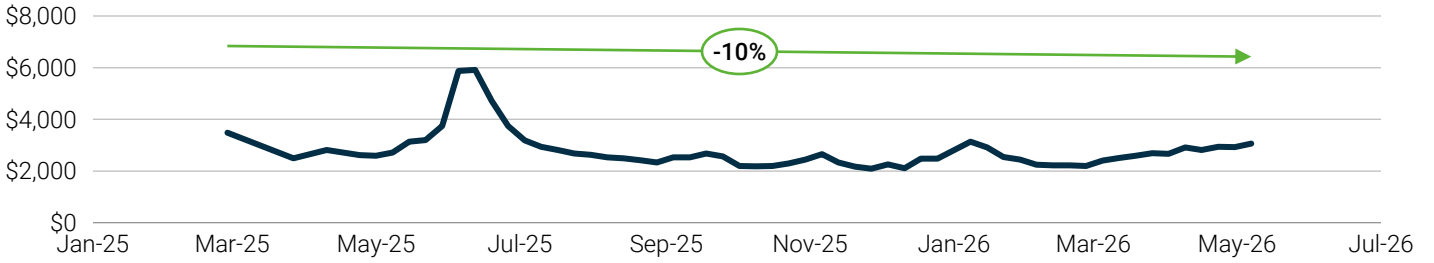
Accelerate tariff impact analysis and freight plan optimization

- Develop comprehensive mitigation strategies for trade policy volatility, including dual-sourcing and nearshoring options
- Use tools like AlixPartners [Global Trade Optimizer \(GTO\)](#) to rapidly assess tariff impacts and optimize sourcing in this dynamic environment

FREIGHT TRENDS

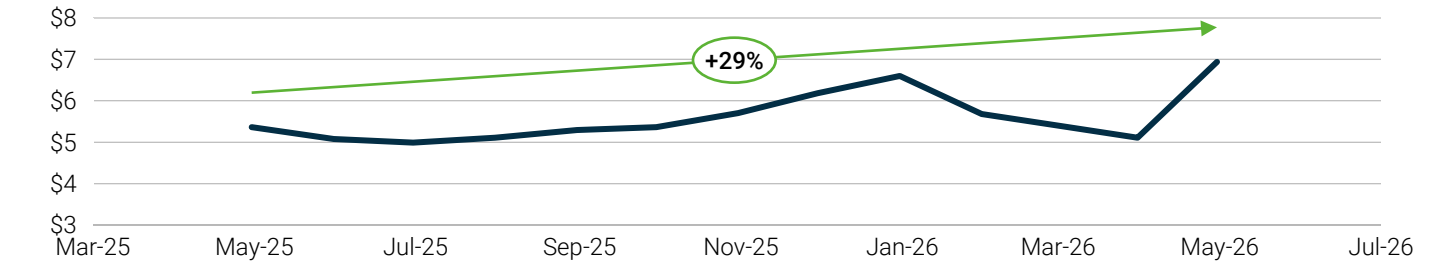
Ocean freight rates continue to move up in May; air faces persistent overcapacity pressures while trucking experiences structural tightening

OCEAN FREIGHT – SHANGHAI TO U.S. (\$/40FT)



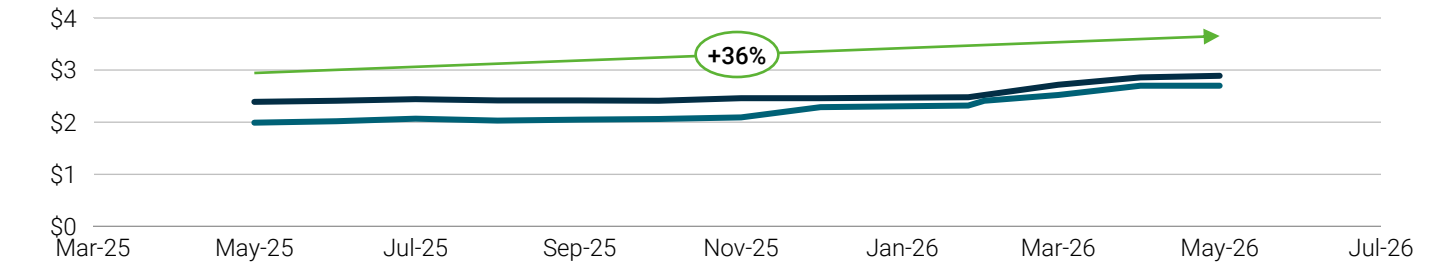
— U.S. West Coast (Los Angeles)

AIR FREIGHT – HONG KONG TO U.S. (\$/KG)



— Hong Kong – N America

TRUCKING – DRY VAN (\$/MILE)



— Contract — Spot

KEY TRENDS AND FACTS



Key drivers causing rate changes are:

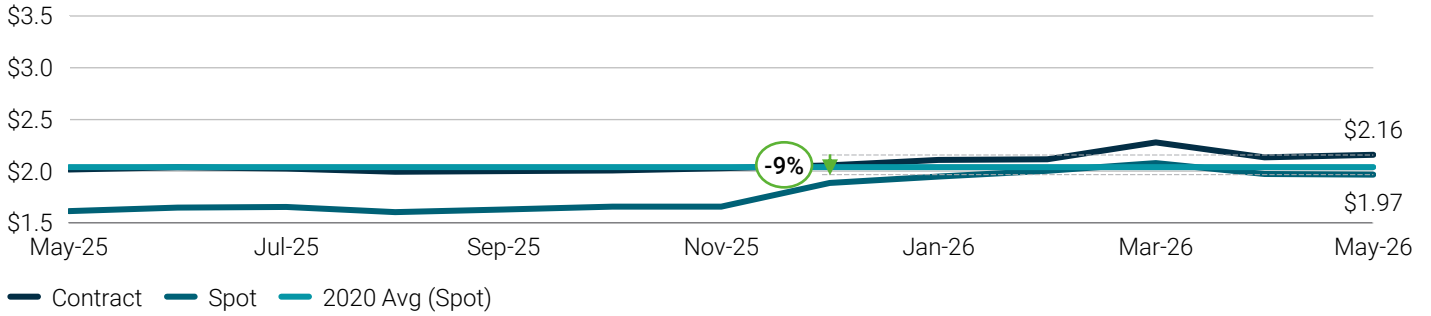
- CN–US ocean freight rates continue to rise from this month, with Shanghai–Los Angeles up 9% and Shanghai–New York up 7%, driven mainly by carrier capacity discipline, surcharge implementation, and disruption-related cost pressure rather than a broad demand surge
- Air freight rates jumped 30% YoY as disruptions in the Middle East drive regional challenges on trade lanes
- Truckload rates continued to rise as fuel volatility and tightening capacity combined to strengthen carrier pricing power

Source: DAT, Drewry, TAC database, AlixPartners analysis

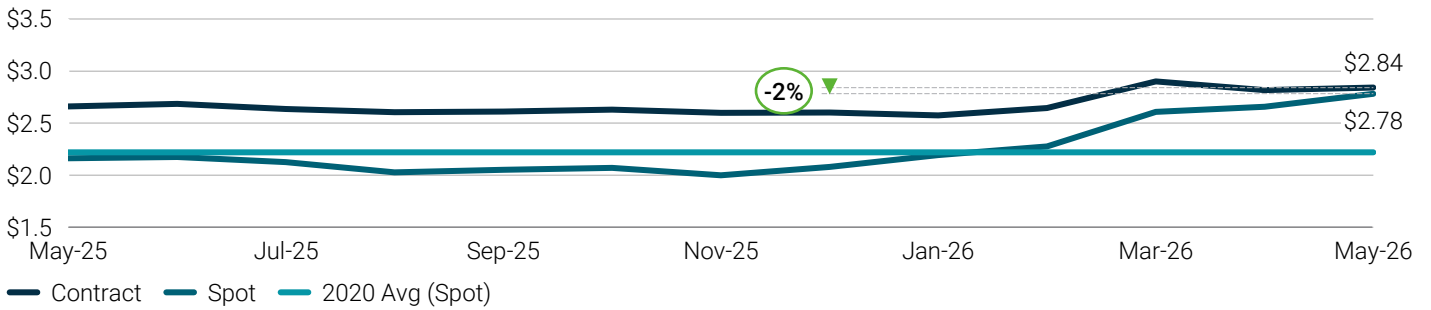
TRUCKING FREIGHT

Structural market tightness is driving sustained upward pricing pressure heading into peak season

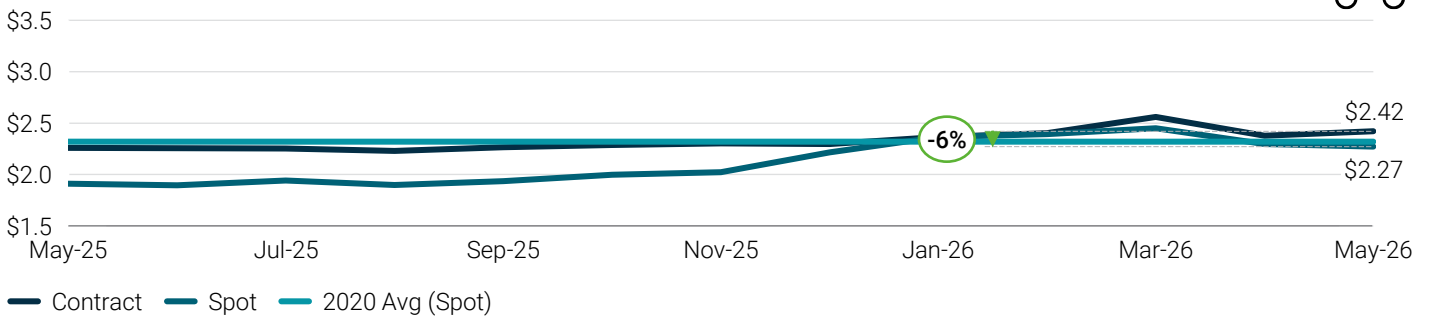
DRY VAN – U.S. DOMESTIC FREIGHT RATES, INCL. FUEL (UNIT:\$ PER MILE)¹



FLATBED – U.S. DOMESTIC FREIGHT RATES, INCL. FUEL (UNIT:\$ PER MILE)¹



REEFER – U.S. DOMESTIC FREIGHT RATES, INCL. FUEL (UNIT:\$ PER MILE)¹



KEY TRENDS AND FACTS



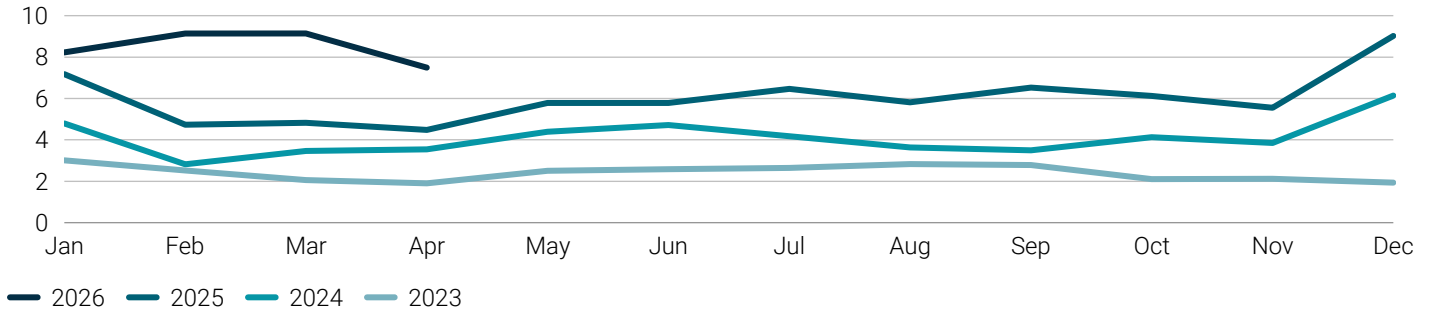
- Fuel spikes are sustaining higher all-in pricing, with April diesel increases materially raising per-load costs and reinforcing carriers' ability to push through rate increases
- Seasonal demand plus structural capacity exits are reinforcing carrier pricing power, particularly in flatbed and produce-driven lanes, accelerating upward pressure ahead of peak season

Note: 1. Assumptions: Baseline fuel price of \$1.25/gal; Van: 6.0mpg, Reefer: 5.5mpg, Flatbed: 5.0mpg. Source: DAT, Freight Waves, AlixPartners analysis

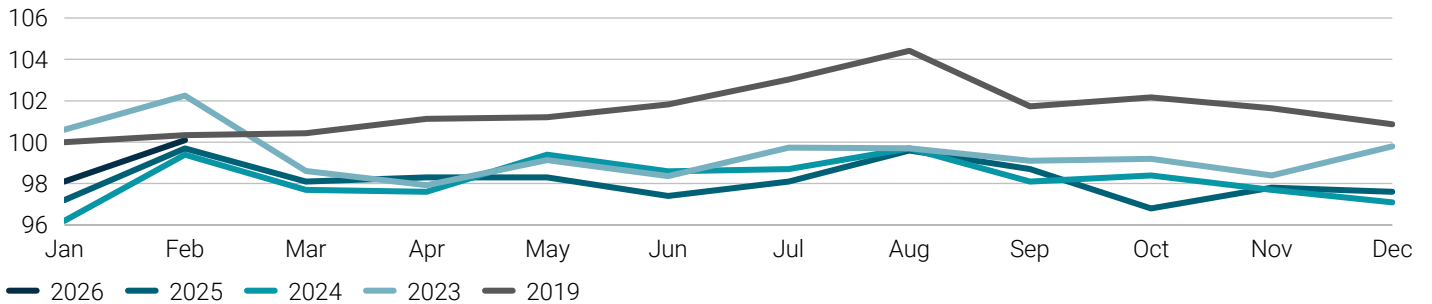
TRUCKING FREIGHT

Continued carrier attrition and enforcement actions are constraining the market by leaving fewer available trucks

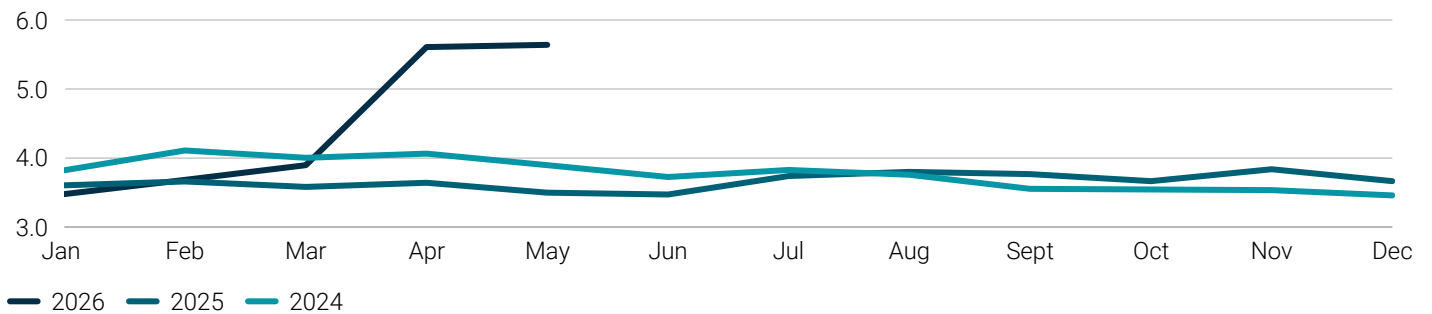
VAN LOAD-TO-TRUCK RATIO – YEAR OVER YEAR



TRUCK DEMAND – TONNAGE, YEAR OVER YEAR, INDEX (100)=JAN 2019



DIESEL – \$ PER GALLON



KEY TRENDS AND FACTS



- Truckload capacity tightened meaningfully through late April and early May, with declining truck posts, rising load-to-truck ratios, and elevated tender rejections – signaling reduced carrier availability across, van, reefer, and flatbed segments ([Freight Waves](#)).
- Carrier exits and regulatory enforcement continue to constrain supply, as ongoing carrier attrition and stricter CDL and compliance enforcement remove drivers from the market faster than replacement capacity is added, reinforcing structural tightness.

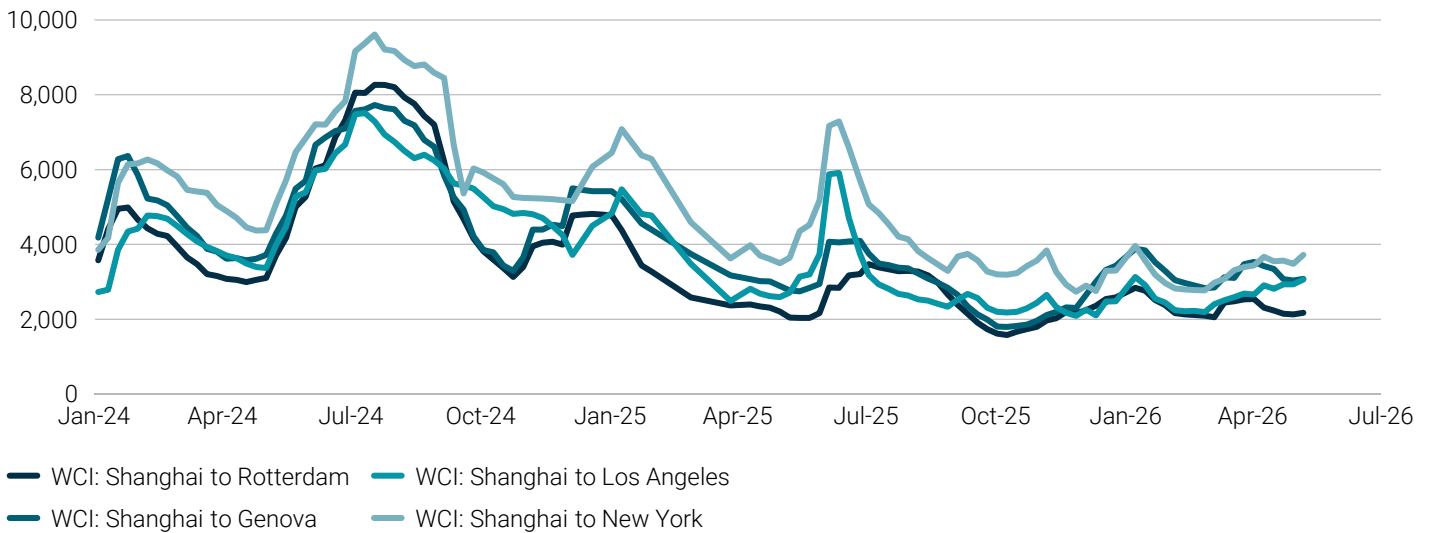
Source: DAT, Freight Waves, FRED, AlixPartners analysis

OCEAN FREIGHT

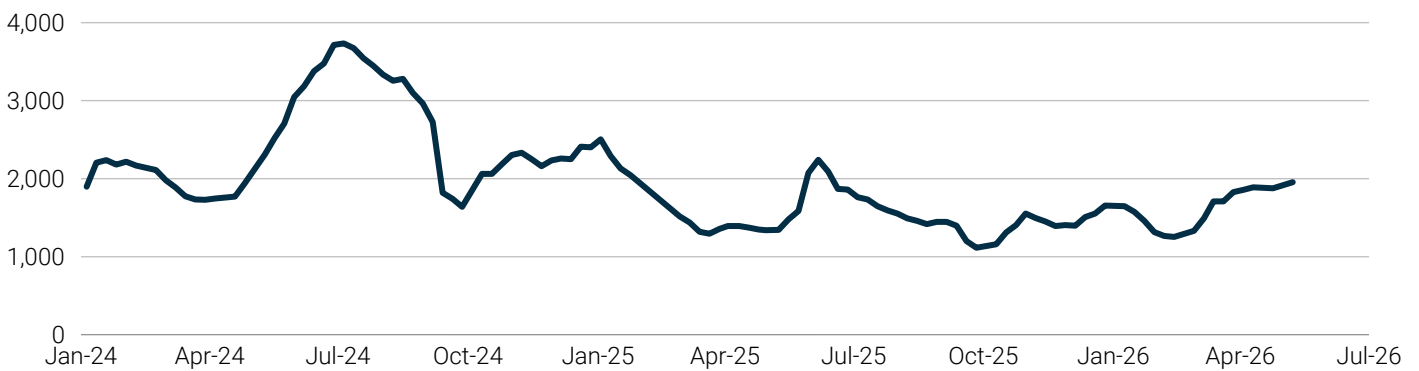
Transpacific rates are firming in May, but the recovery is being driven more by carrier surcharges, fuel/geopolitical cost pressure, and capacity discipline

TRANSPACIFIC: CENTRAL CHINA (SHANGHAI) TO U.S. MONTHLY SHIPPING RATE FOR 40FT CONTAINER EVOLUTION (UNIT: \$)

Drewry: Trade Routes from Shanghai (U.S.\$/40ft)



Shanghai Container Freight Index (U.S.\$/40ft)



KEY TRENDS AND FACTS



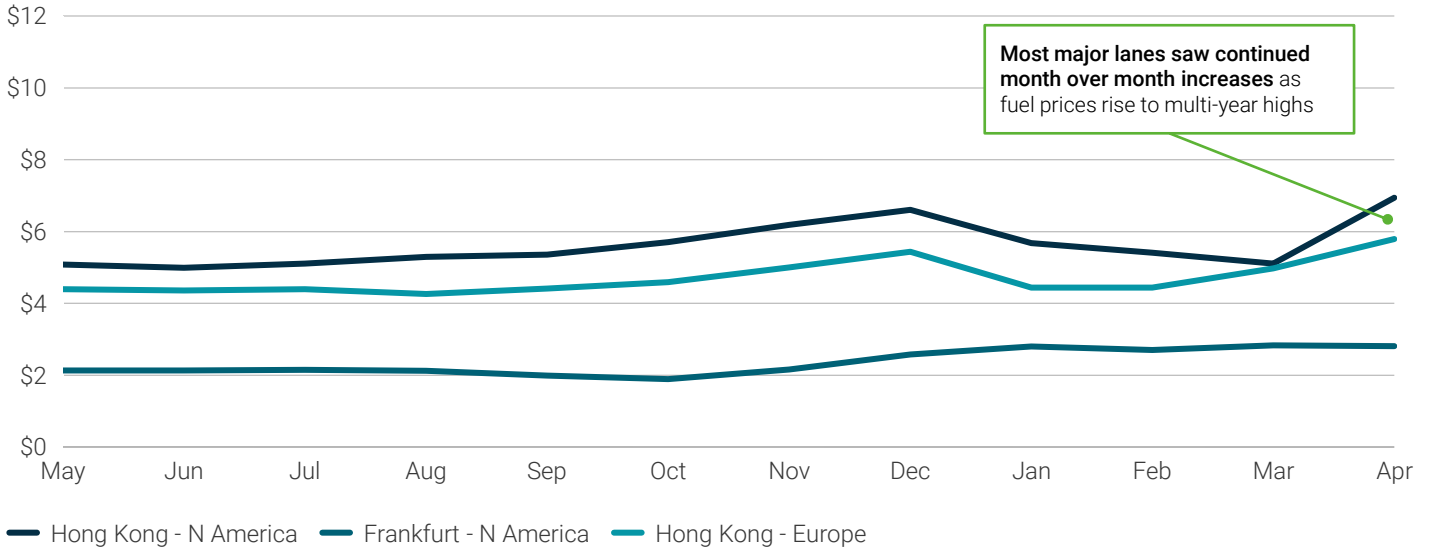
- Drewry's 7 May update showed the WCI up 3% to \$2,286/40ft, with Shanghai–Los Angeles up 5% to \$3,062/40ft and Shanghai–New York up 7% to \$3,721/40ft after three weeks of decline ([Drewry](#))
- May Transpacific rate gains were supported by Emergency Fuel Surcharges and Peak Season Surcharges, including MSC raising Asia–US EFS levels and CMA CGM introducing a \$2,000/FEU PSS from 1 May ([Seatrade Maritime](#))
- April U.S. container imports fell 5.5% YoY, while China-origin imports dropped 15.3% YoY to 680,778 TEUs, showing that the May rate recovery is not yet backed by strong CN–US demand growth ([Reuters](#))

Source: Drewry Ocean report, Freightos, Xeneta, Reuters, AlixPartners analysis

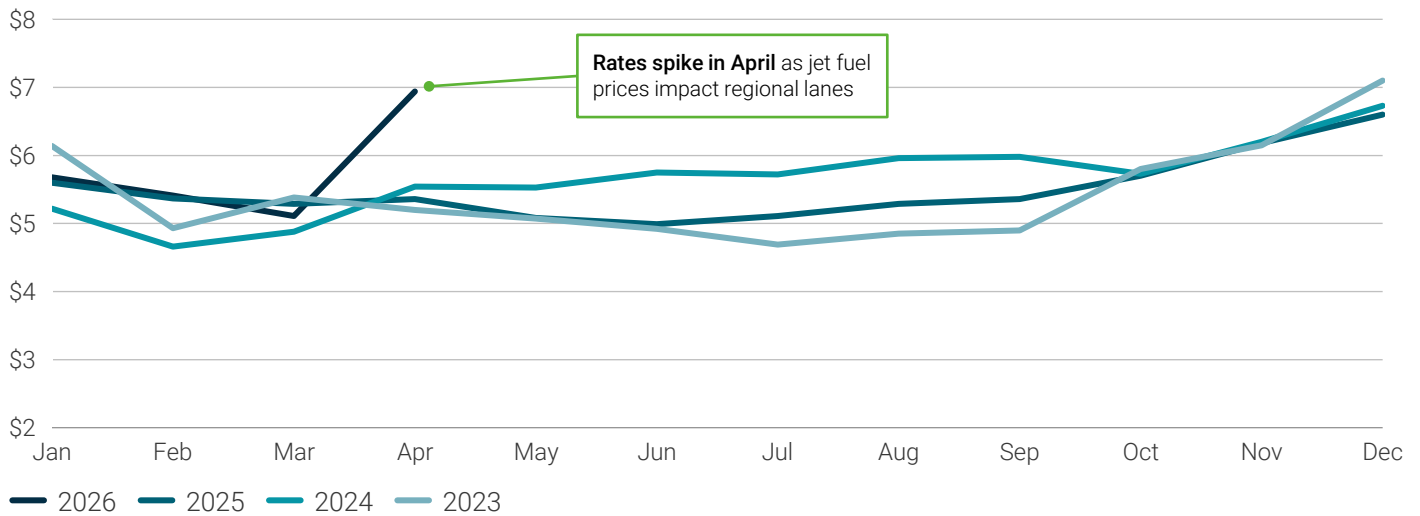
AIR FREIGHT

Global air freight average spot rate increased moderately to \$3.34/kg; up 30% YoY as fuel prices and shortages impact air freight lanes

KEY INTERNATIONAL ROUTES (UNIT:\$ PER KG)



HONG KONG TO NORTH AMERICA HISTORY (UNIT:\$ PER KG)



KEY TRENDS AND FACTS



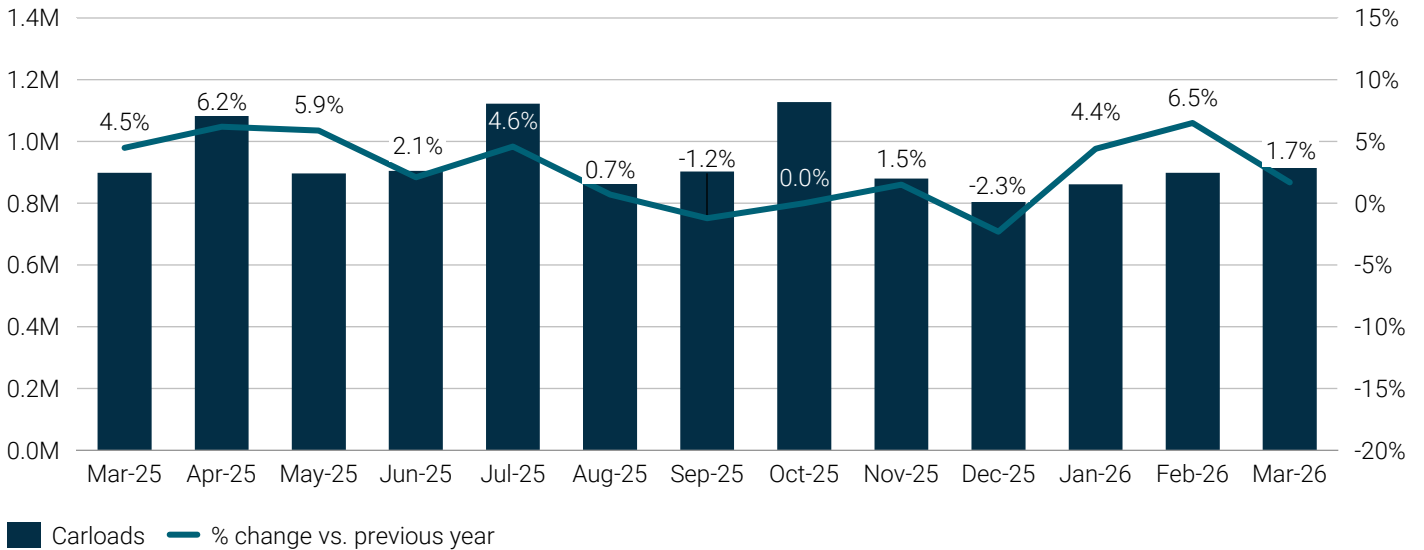
- April rates showed a 30% YoY jump in spot market prices but also 18% YoY increase in long-term contract rates, raising concerns of pandemic era supply chain challenges ([Xeneta](#))
- Airlines are adding additional fees and surcharges to recover the cost of higher jet fuel prices which hides the full cost of the recent disruptions from the average spot rates ([SupplyChainDive](#))

Source: Baltic Exchange Air Freight Index - TAC database, Air Cargo News, American Journal of Transportation, AlixPartners analysis

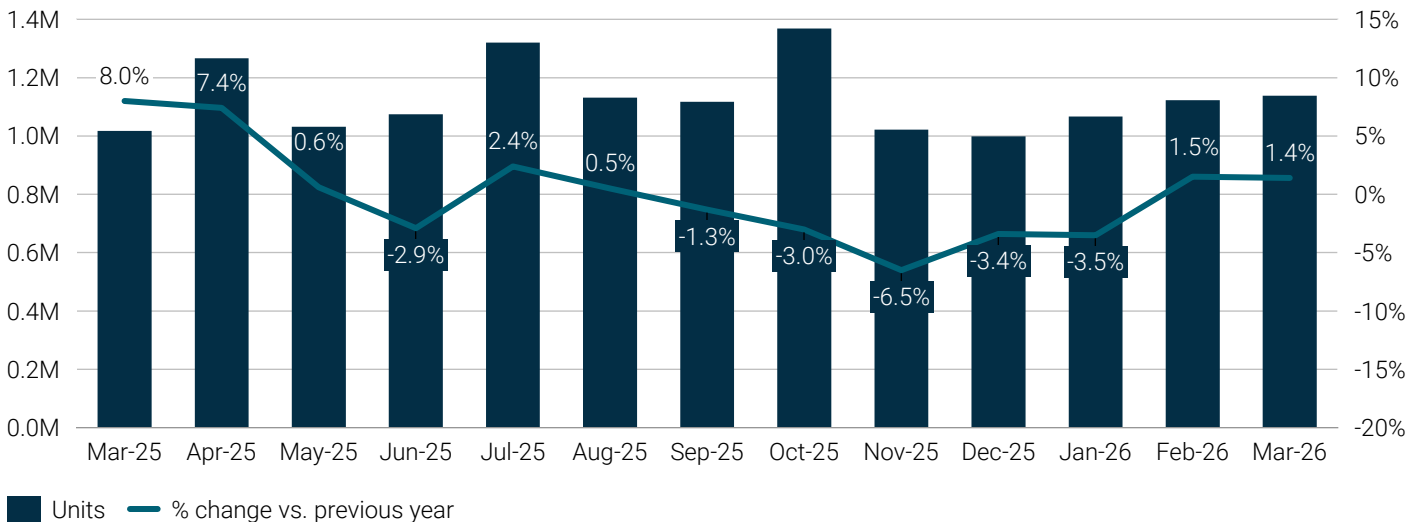
RAIL FREIGHT

Rail and intermodal volumes firming as 2026 recovery takes hold

U.S. RAIL MONTHLY CARLOADS



U.S. RAIL MONTHLY INTERMODAL UNITS



KEY TRENDS AND FACTS



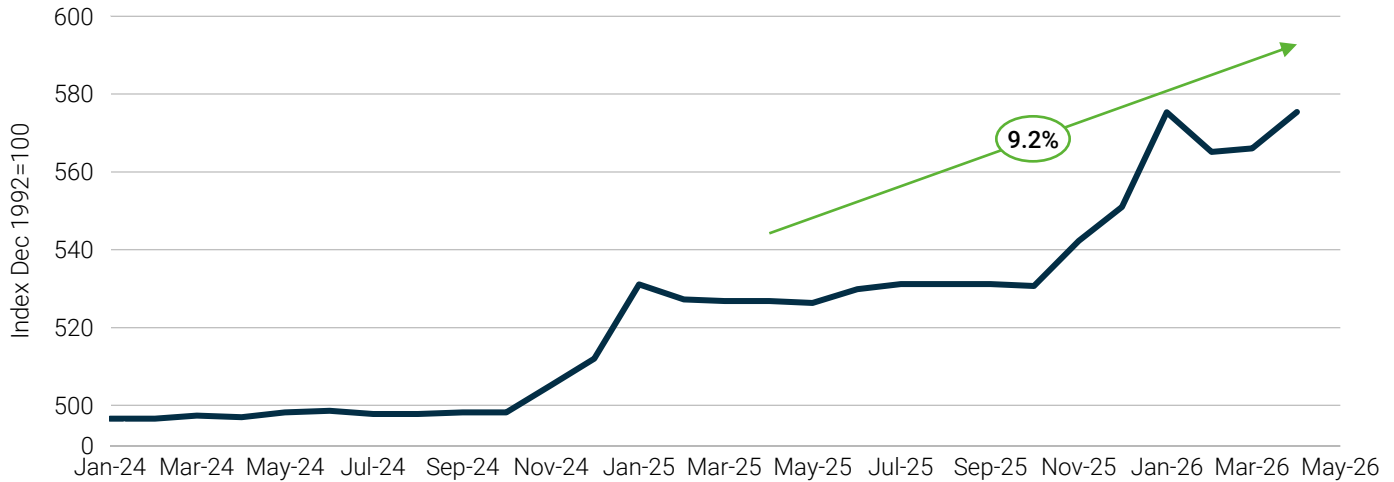
- Norfolk Southern is actively defending a revised April 30, 2026 merger application (after the original was rejected as incomplete), arguing it is stronger and more comprehensive, with the Surface Transportation Board expected to decide imminently whether to accept it for full review amid ongoing industry opposition.
- April marked the fourth straight month of year-over-year carload growth and the strongest April since before the pandemic, signaling a broad-based freight rebound across key commodities.
- Intermodal is driving much of the upside: recent weeks show intermodal units up 4–7% year-over-year even as carload gains moderate, reinforcing rail’s role as a cost-effective alternative to long-haul truckload.

Note: Carloads are traffic classified into 20 major commodity categories. Rail intermodal units are shipping containers and truck trailers moved on railcars. Source: AAR, Trains

USA PARCEL

UPS beats Q1 estimates and reaffirms full-year guidance as network transformation begins to delivery results

PRODUCER PRICE INDEX – STANDARD COURIER SERVICES INDEX¹



Note: 1. Measures the average change over time in the selling prices received by domestic producers for their output. For e.g.: If a 1kg package average parcel selling price in US was \$5 in Dec 1992, today it is about $5 \times 565 / 100 = \$28.25$

UPS FINANCIAL RESULTS Q1 FY2026 (ADJUSTED NON-GAAP) AND FEDEX Q3 FY2026 COMPARISON

METRIC	UPS Q1 FY26 (YOY)	FEDEX Q3 FY26 (YOY)
Revenue	\$21.2B (-1.6%)	\$24.0B (+8.1%)
Operating income	\$1.32B (-25.0%)	\$1.62B (+7.3%)
Operating margin	6.2% (-195 bps)	6.7% (-5 bps)
Net income	\$0.86B (-27.2%)	\$1.26B (+15.6%)
Diluted EPS	\$1.07 (-28.2%)	\$5.25 (+16.4%)
Strategic focus	Continuing the network transformation	FedEx Freight spinoff

Source [UPS](#); [FedEx](#)

KEY TRENDS AND FACTS



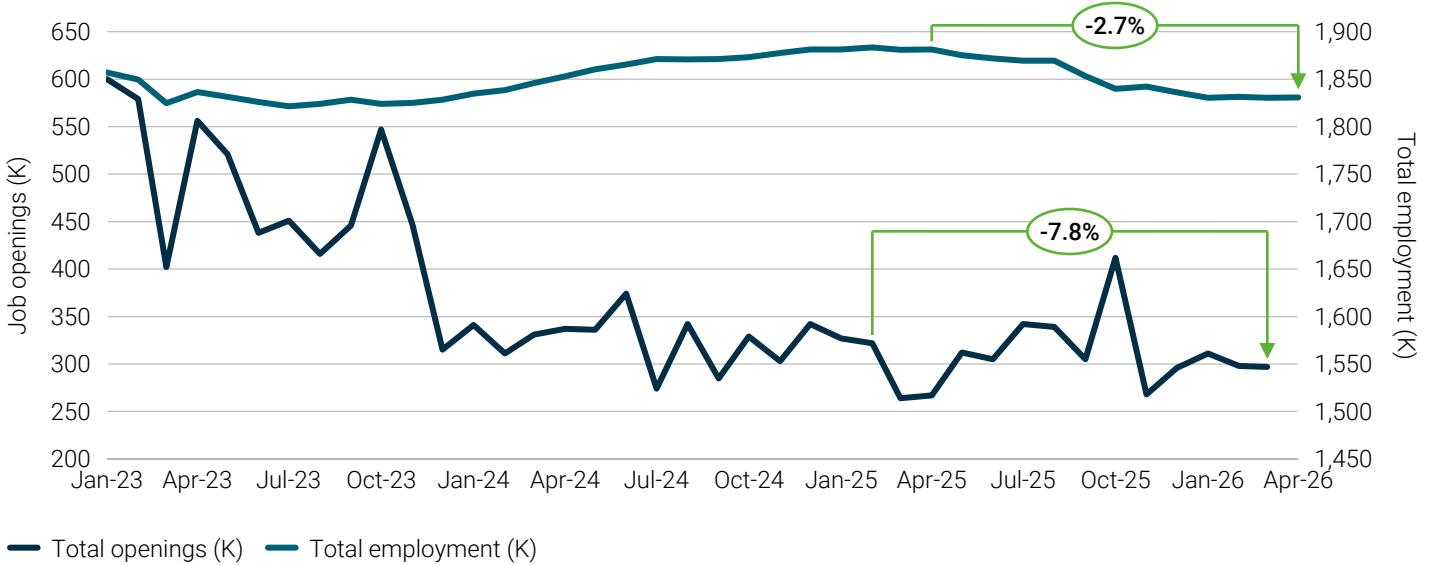
- The 2nd half of 2026 marks an inflection point in UPS's longer-term strategy and UPS reaffirmed full year 2026 financial targets ([UPS](#))
- UPS's Amazon volume cuts are nearing completion; domestic volume still soft ([SCD](#) and [The Motley Fool](#))
- UPS' Happy Returns service expanded its return drop-off network to 10,000 locations ([SCD](#))
- UPS is buying out roughly 7,500 drivers through its Driver Choice Program with most having left in April ([SCD](#))
- UPS ramping up Ground Saver deliveries handled by USPS ([SCD](#))

Sources: Breau of Labor Statistics; [UPS](#); [Inflection Point & Guidance](#); [Happy Returns](#); [Amazon Cuts](#); [The Motley Fool](#); [Drivers](#); [Ground Saver](#);

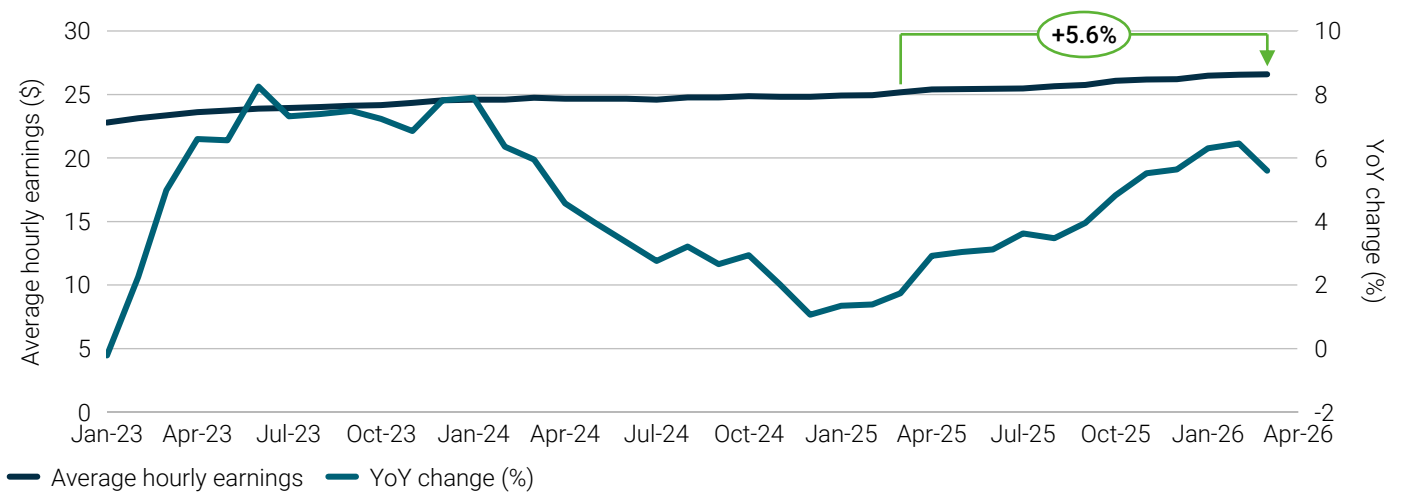
LABOR

Warehousing employment held at 1,831K in April – virtually unchanged from March but down 50K (-2.7%) from year ago as sector stabilizes after post-pandemic correction

JOB OPENINGS AND TOTAL EMPLOYMENT¹



AVERAGE HOURLY EARNINGS¹



Note: 1. Job Openings and Labor Turnover Survey used the Transportation, warehousing, and utilities industry group. Total Employment and Earnings used warehousing and storage industry group from the Current Employment Statistics survey. Data is seasonally adjusted.

KEY TRENDS AND FACTS



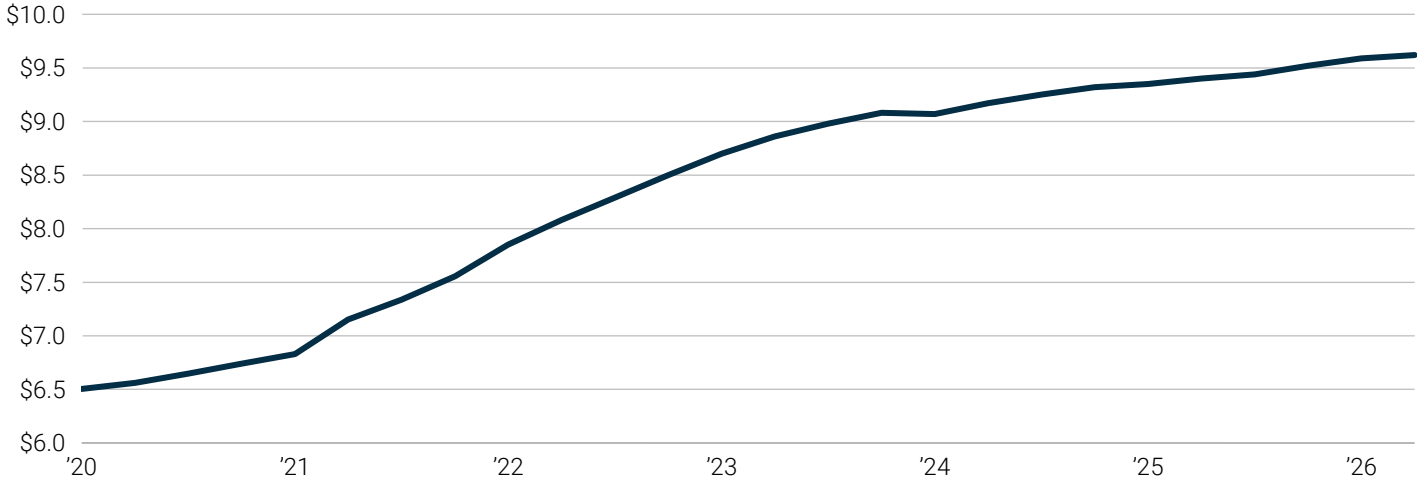
- Warehousing employment held at 1,831K in April – flat from March but down 50K (-2.7%) YoY – as sector stabilizes 109K below March 2022 peak following post-pandemic correction ([BLS](#))
- Hourly wages rose 5.6% YoY despite flat headcount – wage pressure persists as automation creates demand for technical roles while eliminating manual positions, driving competition for skilled workers ([BLS](#))
- Job openings down 7.8% YoY, reflecting sustained demand softening as operators absorb prior over-hiring and automate into the contraction – "low-hire, low-fire" pattern continues with layoffs near multi-decade lows ([BLS](#))

Source: U.S. Bureau of Labor Statistics seasonally adjusted data, MMH, Freight Waves

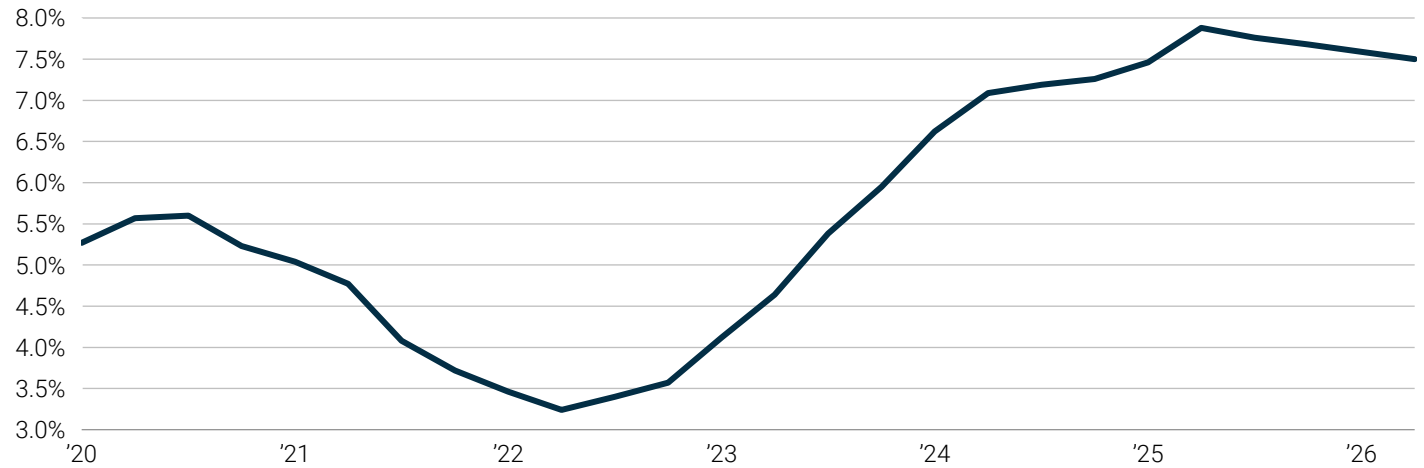
WAREHOUSING TRENDS

Vacancy stabilized and absorption accelerated in Q1 2026 as build-to-suit activity drives industrial market rebalancing

NATIONAL AVERAGE MARKET RENT/SQ FT (\$)



NATIONAL AVERAGE VACANCY RATE (%)



KEY TRENDS AND FACTS



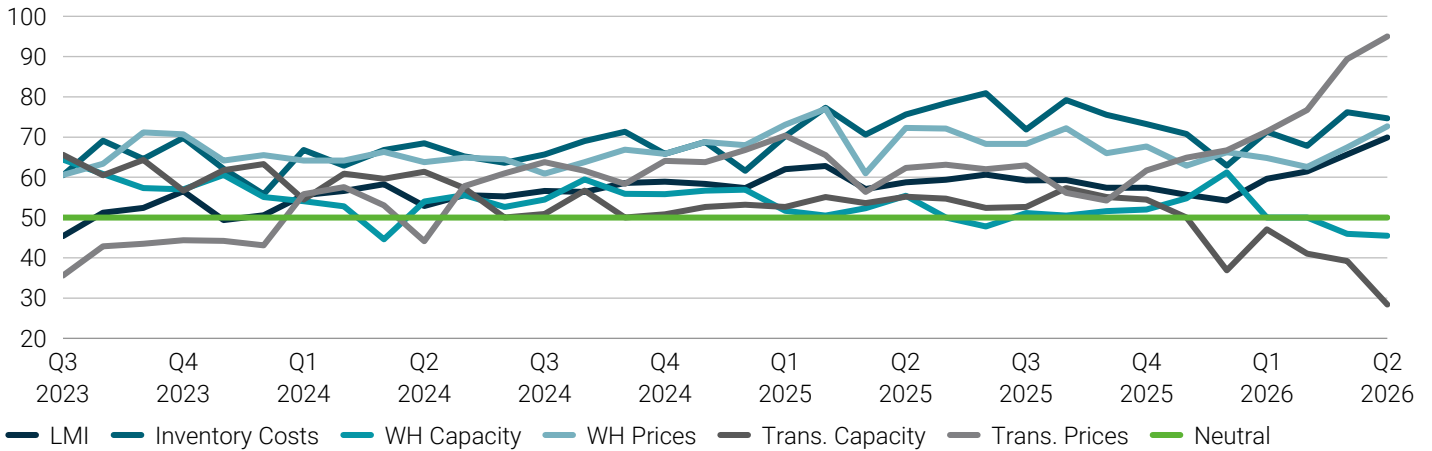
- U.S. industrial rents continued to rise to ~\$9.59/SF in early 2026 despite increasing vacancy, reflecting structural demand from e-commerce, 3PL expansion, and supply chain regionalization ([Mohr Partners](#))
- 3PLs seized 44 of top 100 leases in 2025 (up from 28 in 2024) as retailers cut warehouse footprint 16.7% and outsourced logistics – large deals (500K+ SF) surged 32% in H2 2025 ([CBRE, Cushman & Wakefield](#))
- Data centers are reshaping industrial land economics, but haven't yet materially impacted national warehouse vacancy. Prologis is expanding into data centers through warehouse conversions – including a converted Chicago facility sale to HMC Capital in Dec. 2024 and a Pennsylvania conversion approved in Mar. 2026 (Data Center Dynamics, IDC Nova)

Source: AlixPartners & Mohr Partners, AlixPartners analysis

WAREHOUSING TRENDS

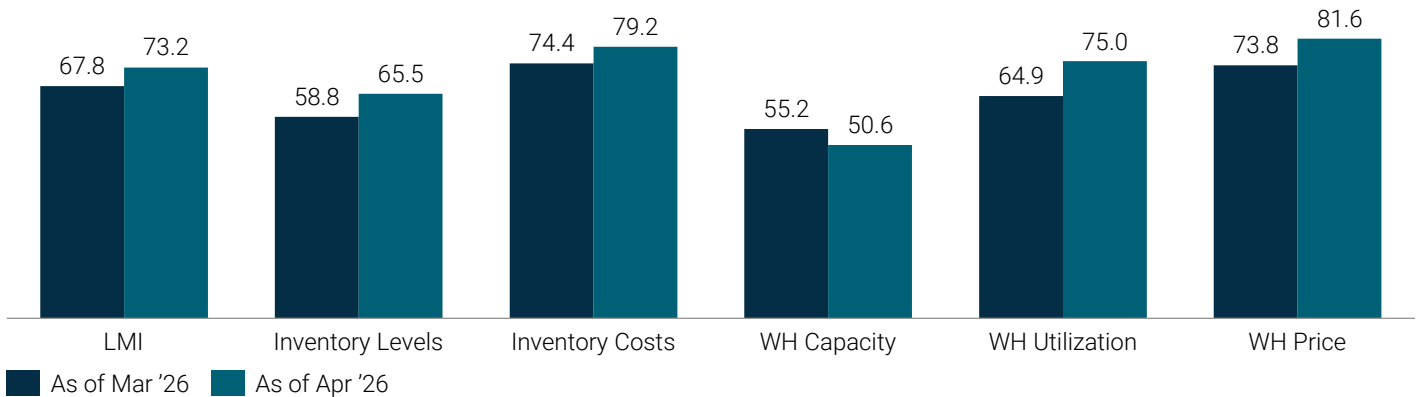
LMI in April surged to 69.9 (+4.2) – second-highest reading since March 2022 – as Transportation Prices hit 95.0 and Capacity contracted to 28.4 (second-lowest ever)

FLUCTUATION OF LMI INDICES



Logistics Manager Index (LMI) Legend: +50 = Increasing -50 = Decreasing

LMI SURVEY – NEXT 12-MONTH PREDICTION¹



Note: 1. LMI respondents' predictions for movement in LMI metrics 12 months from now

KEY TRENDS AND FACTS



- Transportation Prices surged to 95.0 (+5.6), second-highest reading in LMI's 9.5-year history, while Transportation Capacity collapsed to 28.4 (-10.9) – largest delta ever recorded – as diesel remained elevated despite 19-cent drop from two-week peak ([LMI](#))
- Inventory Levels jumped from 52.4 (early April) to 59.8 (late April) as firms shifted from JIT to freight consolidation strategies to avoid surcharges – Q1 imports up 21.4% YoY (price + volume) while S&P manufacturing orders hit biggest jump since May 2022 ([LMI](#))
- Aggregate logistics costs hit 242.4 (highest since April 2022) with 12-month predictions at 254.7 – readings above 240 historically precede supply-driven inflation as Inventory Costs (74.7), Warehousing Prices (72.7), and Transportation Prices (95.0) all remain elevated ([LMI](#))

Source: Logistics Managers' Index, AlixPartners analysis

WAREHOUSING TRENDS

Leading companies are deploying AI across warehouse operations

COMPANY DEVELOPMENTS



New robotics fulfillment centers and Dexory partnership extend AI across global warehouse network.

Purpose: Maersk opened a Hai Robotics-powered fulfillment center in Singapore (Feb 2026), deploying 49 ACR systems and 110 AMRs for fashion distribution across B2B and B2C channels. Dexory, Maersk's inventory-scanning partner, launched a next-gen robot with 60-foot scanning range, raised \$165M in Series C, and opened a Nashville HQ. Dexory's Storage Health module won Best New Innovation at the 2026 MHI Innovation Awards.



Skypod robots double fulfillment output across seven European warehouses.

Purpose: Decathlon deployed Exotec's Skypod system across sites in France, the UK, Portugal, Italy, and Germany. In Setubal, Portugal, the facility now prepares 114,000 orders/day, double the pre-automation level. Pickers who walked 10+ km/day now cover less than one. Workplace incidents halved. Exotec's global fleet exceeds 10,000 robots, with annual revenues above \$1B. Named to Fast Company's Most Innovative Companies of 2026.



Digit becomes first humanoid generating revenue from productive warehouse work.










Purpose: Agility's Digit surpassed 100,000 totes moved at GXO's Flowery Branch warehouse, the only humanoid robot in revenue-generating commercial production as of April 2026. Signed paying contracts with Toyota (seven units at RAV4 plant) and Mercado Libre. Next-gen Digit targets 50lb payload and ISO functional safety certification for barrier-free human co-work by mid-to-late 2026. RoboFab facility in Oregon has 10,000+ unit/year capacity.

OTHER DEVELOPMENTS

- Geek+ reports 50%+ YoY new-order growth in the Americas; debuted Geek+ Brain embodied intelligence platform and RoboShuttle V5 at MODEX 2026
- Locus Robotics launched Locus Array, a fully autonomous fulfillment robot combining mobile robotics, a picking arm, and AI perception; named finalist for MHI Best New Innovation at MODEX 2026
- DHL deploys SVT Robotics' SOFTBOT platform globally across 8,000+ cobots, cutting integration time from weeks to hours
- SAP and Cyberwave deployed fully autonomous Physical AI robots in a live German warehouse (May 2026), using vision-language-action models to train new tasks in hours instead of weeks
- Brightpick unveiled Gridpicker at LogiMAT 2026: AI-powered mobile manipulators on a grid achieving 2x shuttle throughput at lower cost. Multiple customers signed; first installs scheduled for late 2026

DEMAND VS. CAPACITY

European freight markets | Weakening ocean rates, rising road contract costs, and expanding parcel networks

OCEAN FREIGHT	TRUCKING	PARCEL
		
Year over year trend – Demand 		
Year over year trend – Capacity 		
<ul style="list-style-type: none"> Asia–North Europe spot rates have stabilized at roughly the same level YoY (-1%), with Shanghai–Rotterdam softening further WoW amid structural vessel oversupply, ongoing Cape of Good Hope re-routing capacity additions, and weak Eurozone import demand Northern Europe–North America spot rates rebounded sharply (+12% YoY, +28% WoW in CW15), but the move is carrier-engineered rather than demand-led 	<ul style="list-style-type: none"> European road freight contract rates continued to climb in Q1 2026, with the Ti x Upply x IRU benchmark up 3.2 points vs. Q4 2025 and 8.9 points year-over-year, as fuel costs and driver shortages keep structural cost pressure elevated Capacity is tightening into Q2, with shippers shifting more urgent volumes onto the spot market in April–May and spot premiums moving back toward last year’s highs against already-elevated contract rates 	<ul style="list-style-type: none"> Europe’s courier, express and parcel (CEP) market remains on a structural growth path, with 2026–2033 projections calling for high single- to low double-digit annual growth, driven primarily by e-commerce-led B2C volumes and rising cross-border flows

Source: DAT; Drewry; TAC database; Freightwaves; DHL; WOWL.io; Maritime News; Eurostat Railway Freight Transport Statistics; RailJournal; [RailFreight.com](https://www.railfreight.com); CER/ERFA; Transportenvironment.org; Spedity; AlixPartners analysis

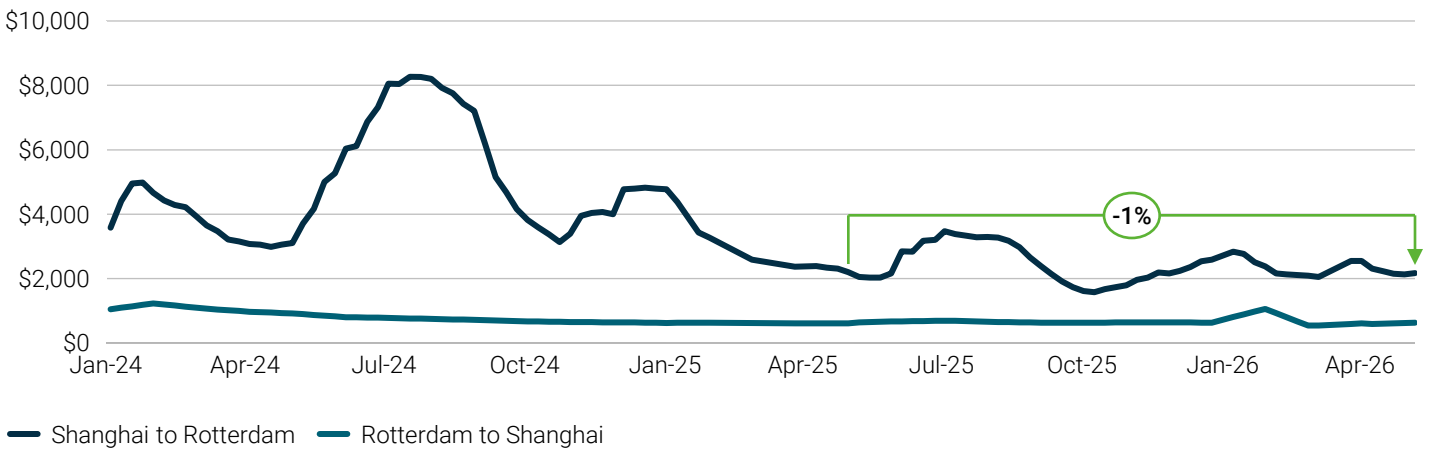


EUROPE OCEAN FREIGHT

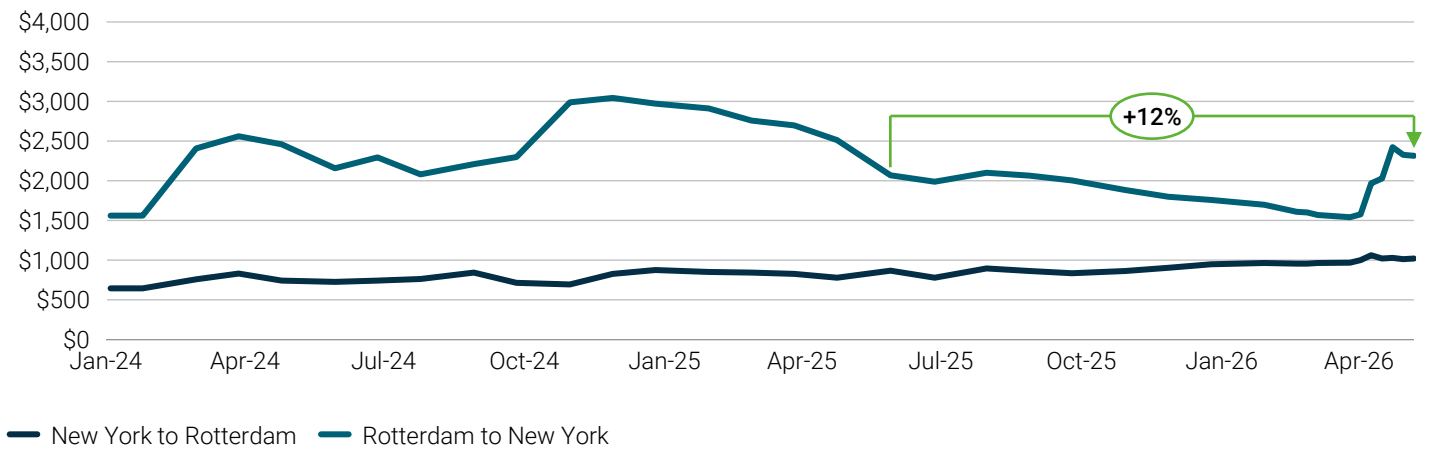
Spot rates for Asia–North Europe have stabilized almost at the same level (-1%) YOY, despite geopolitical uncertainty around the Suez Canal and structural oversupply

CENTRAL CHINA (SHANGHAI) AND USA (NEW YORK) TO EUROPE MONTHLY SHIPPING RATE FOR 40FT CONTAINER EVOLUTION (UNIT: \$)

Shanghai – Rotterdam (U.S.\$/40ft)



New York – Rotterdam (U.S.\$/40ft)



KEY TRENDS AND FACTS



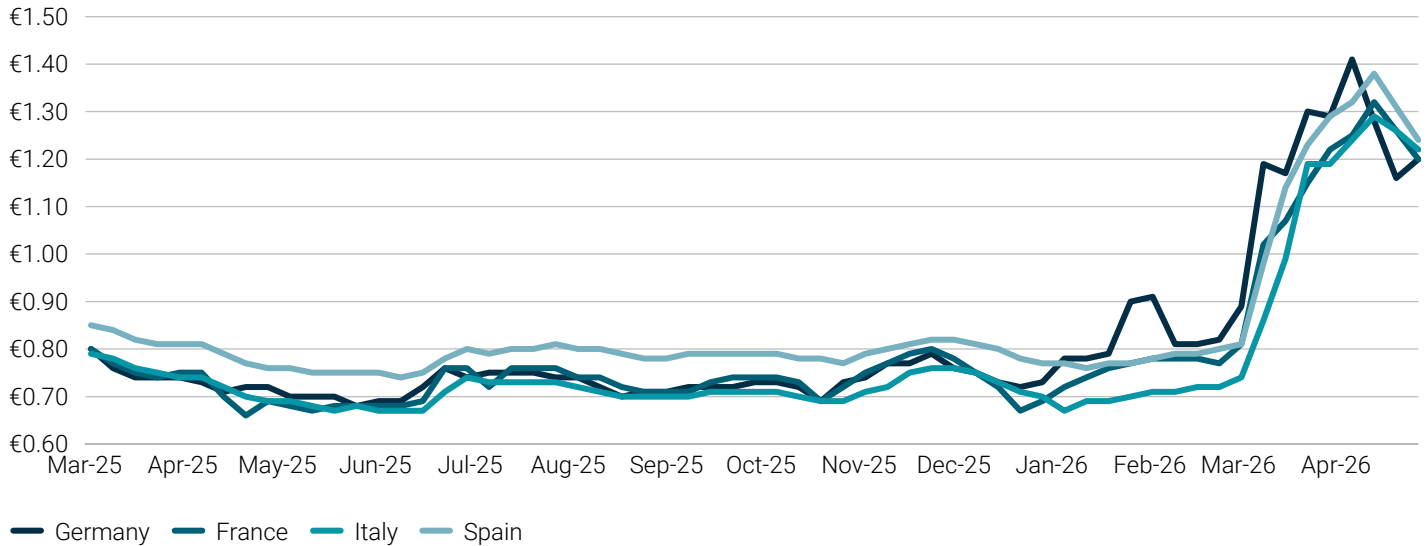
- In April, Asia-to-North Europe spot rates continued to soften, with the Shanghai–Rotterdam rates declining further WoW. The downward pressure reflects persistent structural vessel oversupply, ongoing effective capacity additions from Cape of Good Hope re-routing, and subdued European import demand amid weak Eurozone manufacturing output
- Spot rates from Asia to Northern Europe have decreased further in May by 15% in comparison to April.
- On the Northern Europe–North America lane, spot rates rebounded sharply in April (increased by +28% WoW, in CW15), but this is carrier-engineered rather than demand-led – trans-Atlantic import demand remains structurally weak, held back by nearshoring trends and muted manufacturing flows

Source: Drewry Ocean report; Logistics Insider; DC Velocity; The Loadstar; Freightos; JOC; AlixPartners analysis, Phaata, Maritime News

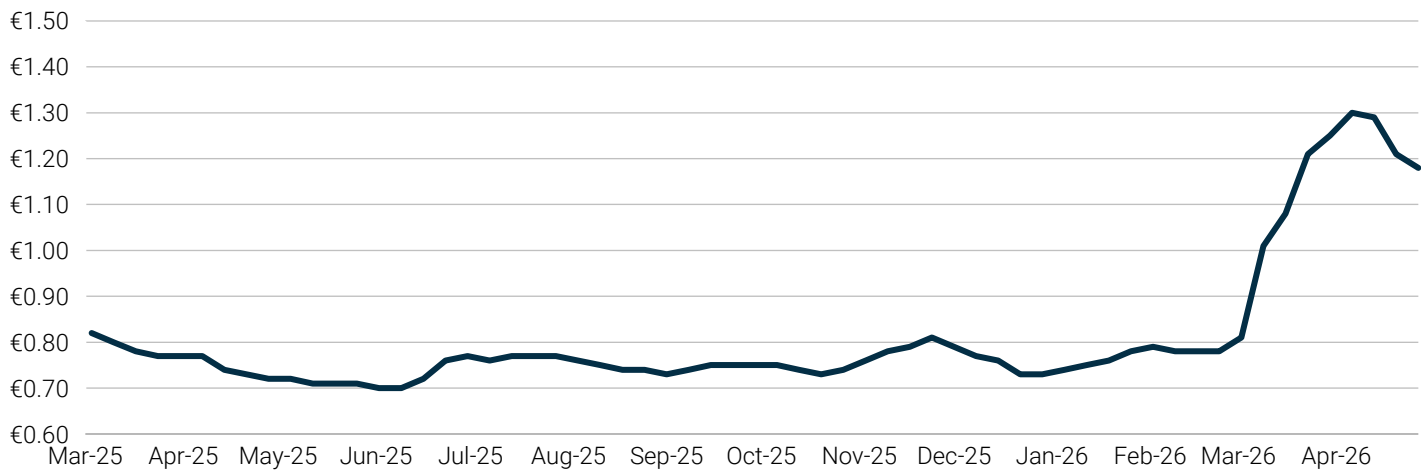
EUROPE ROAD FREIGHT

EU diesel prices rose ~17% M-o-M in Apr but moderated slightly in end-Apr

EUROPEAN PRE-TAX DIESEL PRICE PER LITER BY COUNTRY (€)



EU AVERAGE PRE-TAX DIESEL PRICE (€)



KEY TRENDS AND FACTS



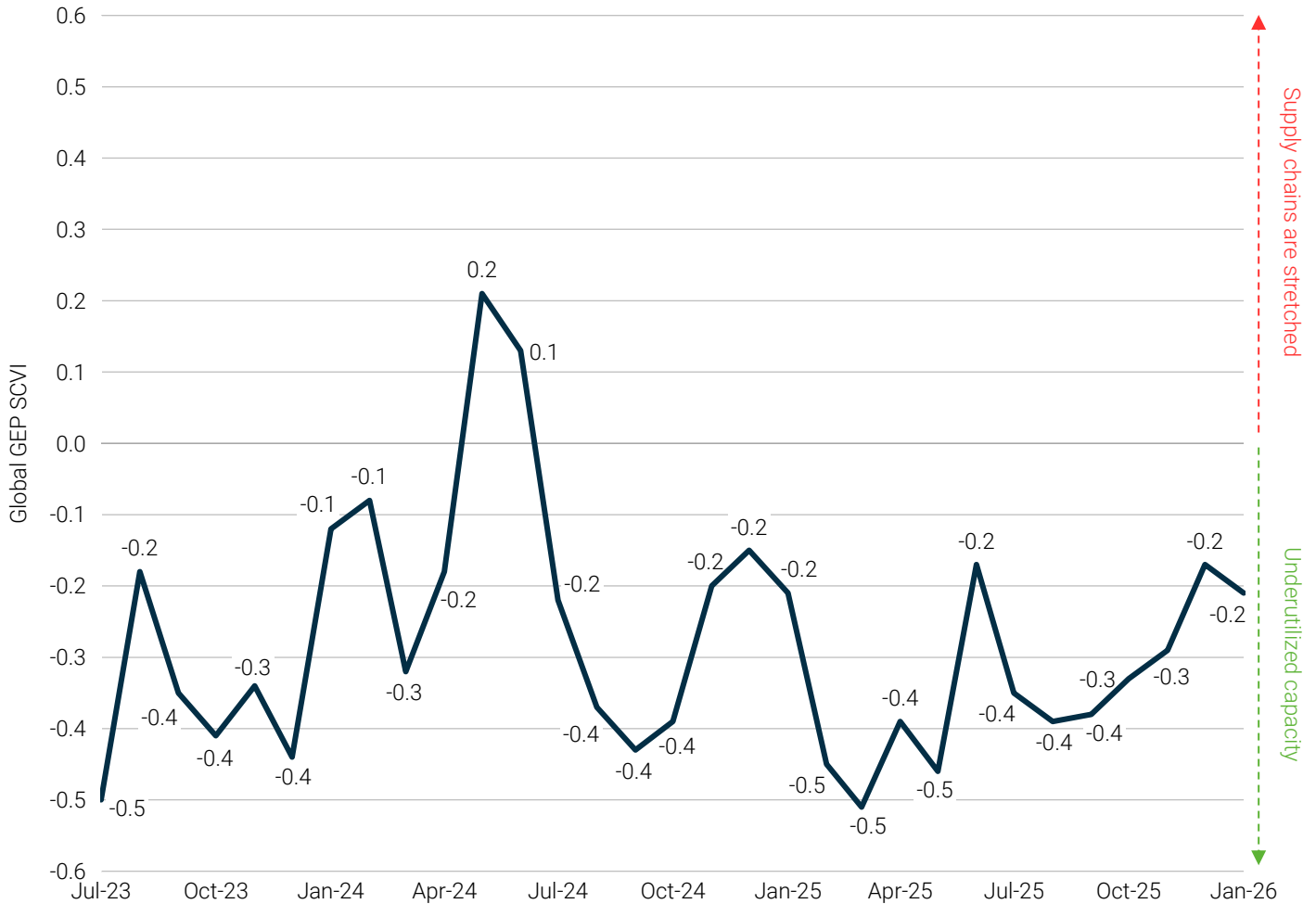
- Middle East conflict has triggered a supply shock. Global oil supply has dropped 10.1 mb/d to 97 mb/d in Mar, largest disruption on record. Major Gulf producers shut ~9.1 mb/d of crude production in Apr
- Middle distillate crack spreads reached all-time highs as refineries cut runs by ~6 mb/d, tightening global product markets beyond the impact of crude benchmarks. Diesel absorbed the largest price increase
- Government intervention partially offset consumer price exposure with slight correction in prices in end-Apr

Source : [European Commission](#); [EIA](#); [IEA](#); [IRU](#); [Euronews](#); AlixPartners Analysis

GLOBAL SUPPLY CHAIN VOLATILITY INDEX

Global Supply Chain Volatility index¹ at -0.21 in January 2026; North American and Asian supply chains operating at capacity; European supply chains still slightly underutilized

SUPPLY CHAIN VOLATILITY INDEX (GEP)



Note: 1. Global Supply Chain Volatility index last updated 11th of February 2026.

Note on definition: The GEP Global Supply Chain Volatility Index is produced by S&P Global and GEP. The GEP Global Supply Chain Volatility Index is derived from S&P Global's PMI™ surveys, sent to companies in over 40 countries, totalling around 27,000 companies. The headline figure is the GEP Global Supply Chain Volatility Index. This is a weighted sum of six sub-indices derived from PMI data, PMI Comments Trackers and PMI Commodity Price & Supply Indicators compiled by S&P Global.






KEY TRENDS AND FACTS



- Index at -0.21 – with very differing utilization levels by region:
 - North America: Operating at capacity (Index of 0.06)
 - Asia: Operating at capacity (Index of 0.12)
 - Europe: Still slightly underutilized but improving (Index of -0.53)

IMPORT TRENDS

China had been a go-to hub for U.S. manufacturers, but U.S./China relations and tariffs have been pushing trade towards other countries (Vietnam, India, Mexico, Canada gained most)

CATEGORIES	TOTAL U.S. IMPORTS			COUNTRY WISE CHANGES (2018 VS. LTM FEB 2026)				
	2018 (\$B)	LTM FEB 2026 (\$B)	CHANGE (%)	 CHINA	 VIETNAM	 INDIA	 MEXICO	 CANADA
				CHG. %	CHG. %	CHG. %	CHG. %	CHG. %
Apparel & Textiles	\$116	\$106	(8%) ▼	(58%) ▼	42% ▲	20% ▲	(4%) ▼	(27%) ▼
Automotive & Transportation Parts	\$340	\$359	6% ▲	(36%) ▼	267% ▲	(13%) ▼	29% ▲	(13%) ▼
Chemicals & Allied Industries	\$233	\$359	54% ▲	(13%) ▼	242% ▲	105% ▲	44% ▲	2% ▲
Computer & Electronics	\$363	\$497	37% ▲	(58%) ▼	453% ▲	1827% ▲	46% ▲	37% ▲
Food & Beverage	\$151	\$222	47% ▲	(39%) ▼	37% ▲	15% ▲	56% ▲	58% ▲
Footwear, Headgear & Others	\$32	\$31	(2%) ▼	(54%) ▼	68% ▲	16% ▲	77% ▲	(15%) ▼
Furniture	\$67	\$59	(11%) ▼	(68%) ▼	166% ▲	37% ▲	14% ▲	1% ▲
Leather Goods	\$15	\$14	(7%) ▼	(76%) ▼	53% ▲	34% ▲	27% ▲	13% ▲
Mechanical & Electricals	\$379	\$675	78% ▲	(67%) ▼	1966% ▲	125% ▲	147% ▲	25% ▲
Metals, Parts and Products	\$139	\$152	9% ▲	(41%) ▼	138% ▲	94% ▲	20% ▲	(3%) ▼
Misc. Goods & Manf. Products	\$476	\$516	8% ▲	(37%) ▼	515% ▲	(40%) ▼	20% ▲	32% ▲
Plastics & Rubber Products	\$86	\$101	17% ▲	(35%) ▼	454% ▲	94% ▲	61% ▲	4% ▲
Special Classification Provision	\$85	\$121	41% ▲	123% ▲	1023% ▲	273% ▲	76% ▲	17% ▲
Temporary Legislation	\$18	\$31	72% ▲	163% ▲	728% ▲	98% ▲	17% ▲	5% ▲
Wood & Pulp Products	\$47	\$48	1% ▲	(54%) ▼	376% ▲	148% ▲	57% ▲	(8%) ▼
Total	\$2548	\$3290	29%	(52%)	306%	86%	56%	15%
	LTM Feb 2026 U.S. imports (\$B)			\$263	\$207	\$102	\$536	\$367

Key nearshoring trends:

- Over the past seven years (2018 to Last Twelve Months ending Feb 2026), overall imports into the US increased by 29%. However, imports from China decreased by 52% from \$543B to \$263B
- **Vietnam, India, Mexico and Canada** have been the biggest gainers.
 - Vietnam has seen 306% increase to reach \$207B; All categories have grown in imports from Vietnam
 - Imports from Mexico increased by 56% to \$536B (which is now more than China); 'Mechanical & Electricals' have seen biggest increase in Mexico
 - Imports from India have seen a consistent growth across all industries except 'Automotive & Transportation Parts' and Misc. Goods & Manf. Products', overall increase of 86% in imports into U.S. to \$102B
 - Imports from Canada have seen a steady growth across industries except for 'Apparel & Textile', 'Automotive & Transportation Parts', 'Footwear, Headgear & Others' and 'Wood & Pulp Products'. Overall increase of 15% in imports into U.S. to \$367B



Mexico is now the biggest vendor base for US based corporation; Vietnam and India have seen the fastest growth since 2018

ALIXPARTNERS SUPPLY CHAIN EXPERTS – REACH OUT TO LEARN MORE



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