

Global Logistics Costs to Grow by 12 percent and hit USD 14.4 Trillion by 2029

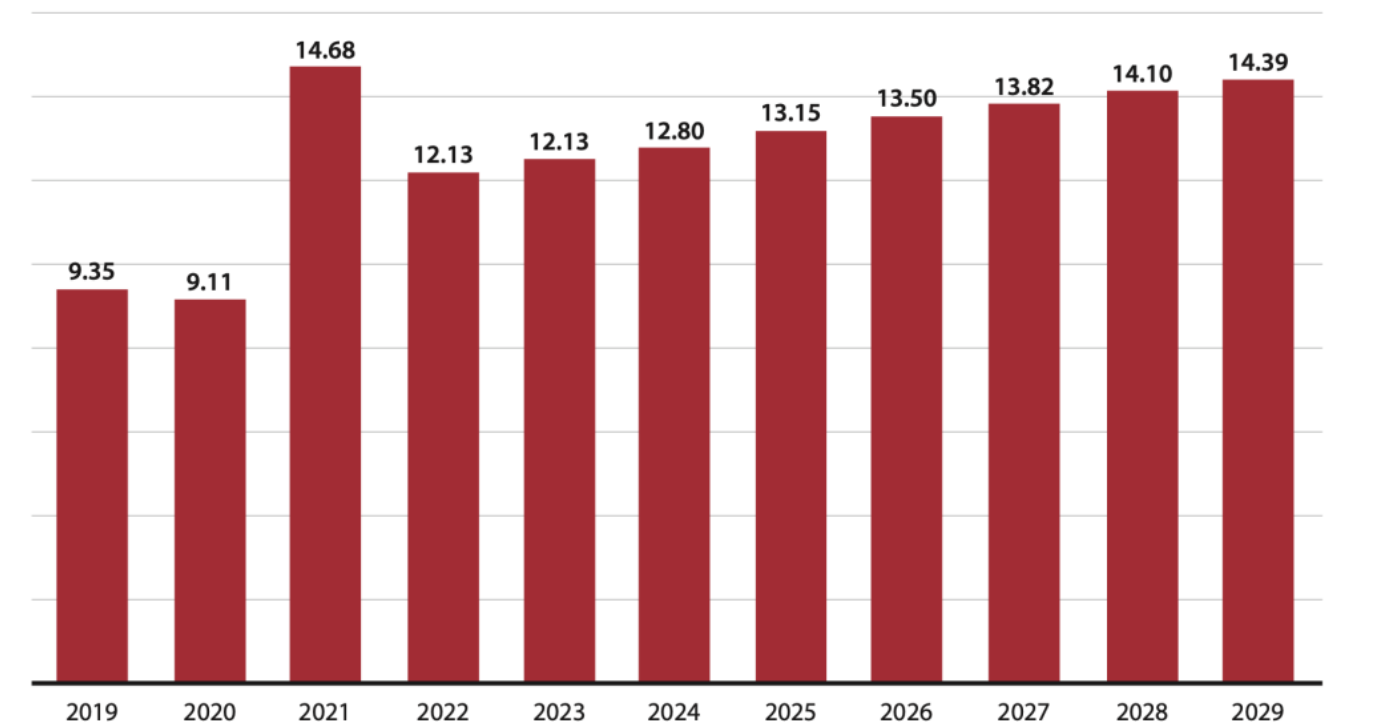
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Global Logistics Costs to Hit USD 14.4 Trillion by 2029

Global logistics costs from 2019 to 2029 (in trillion U.S. dollars)

Sources: Statista Market Insights



Although companies actively work to reduce logistics costs, they remain a significant expense on their income statements. In 2024, businesses across the globe collectively spent USD 12.8 trillion on logistics, USD 330 billion more than last year, and this massive figure will become even bigger in the next five years.

According to data presented by Stocklytics.com, global logistics costs are forecasted to increase by 12 percent and hit USD 14.4 trillion by 2029.

Logistics Costs to Grow by an Average USD 320 Billion Per Year

Over the years, companies worldwide have embraced different strategies to lower logistics costs, streamline operations, and better respond to unexpected market changes. Although technology and automation, improved inventory management, multi-modal transportation, optimized transportation routes, and a switch to green logistics have all significantly helped them reach that goal, the global logistics costs are still quite shocking.

Increased demand for goods, supply chain issues, labor shortages, and rising fuel prices continue fueling global logistics costs. That trend is unlikely to change any time soon. Although global spending on logistics remains significantly below the all-time high in 2021, the market shows a trend of steady growth, which will continue by the end of a decade.

According to the Statista Market Insights survey, companies across the globe will spend USD 12.8 trillion on logistics in 2024, USD 330 billion more than last year. But that is still USD 1.88 trillion less than they paid three years ago when global transportation costs skyrocketed.

However, Statista expects global spending on logistics to continue growing by an average of USD 320 billion per year, causing companies to spend USD 1.8 trillion more in 2029 than they will this year. After reaching USD 12.8 trillion in 2024, global logistics costs will hit USD 13.5 trillion in the next two years and then climb to almost USD 14.4 trillion by 2029.

Chinese and Indian Markets to See the Biggest Cost Growth

Although the rising costs trend will affect the entire logistics market, there are still significant differences between the countries, with some facing a much bigger increase than others. Statista data show all major logistics markets are facing double-digit growth, but China will see the biggest cost increase.

By 2029, the total cost in the Chinese logistics market will jump by 17 percent and hit USD 3.88 trillion, making 27 percent of the world's total that year. As the third-largest logistics market, India follows China, with a 14.6 percent increase and USD 601.7 billion in total

logistics costs in the next five years.

Statista expects the US market to see a 10.5 percent increase, helping the country's logistics cost to jump from USD 2.2 trillion in 2024 to USD 2.42 trillion in 2029. Japan and Russia follow with a roughly 10 percent growth in this period and USD 466 billion and USD 442 billion in logistics costs by 2029, respectively.

Jastra is an editor, writer, and PR specialist with years of experience in news, research, and report writing. Over the years, she has worked in different fields of journalism and public relations, including politics, economy, and financial markets. As well as TradingPlatforms.com, Jastra has written for Inside Business, The Business Mogul, Business Today, Startups Magazine, StockApps.com, and Buyshares.