



IN THE NEWS

Trucking companies blame rocky economic conditions for 2019 shutdowns- an Analysis

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February 15, 2020

Many trucking companies believe that the unstable economic conditions of 2019 caused hundreds of motor carriers to unexpectedly shut down, according to a recent article published on [FreightWaves.com](https://www.freightwaves.com)

As the article describes, 2019's freight recession unfortunately did not live up to 2018's strong trucking market and record profits. Carriers who relied on the spot market or tried to keep with the previous year's capacity demands faced a weak market as well as high insurance and equipment costs.

Celadon Group Inc., New England Motor Freight Inc., Falcon Transport, LME, HVH Transportation, GDS Express, Hendrickson Truck Lines Inc., and Carney Trucking Company were just some of the companies who were abruptly forced to close.

Analyzing the Data-

While the freight market in 2019 suffered due to overcapacity issues, some predict that these tough conditions may make it harder for related businesses, such as truckload equipment manufacturers, to receive financing from banks, which would lower the chances of the industry quickly returning to overcapacity.

Industry insiders are also predicting that new regulatory updates, like the Drug and Alcohol Clearing House, and the rising cost of claims will contribute to escalating insurance premiums and could help greatly reduce capacity as well. If shipper race to address this potential decline in capacity, the spot market could improve and rates could rise again in 2020.

The trucking industry consistently sees ups and downs, but the unstable market conditions of 2019 may prevent another sudden recession. All of these predictions essentially suggest that larger carriers could end 2020 on a more positive note.

Follow this link to READ: [Trucking companies blame rocky economic conditions for 2019 shutdowns](https://www.freightwaves.com)



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