

An aerial photograph of a large cargo ship, viewed from above, sailing on a teal-colored body of water. The ship's deck is densely packed with numerous intermodal containers in various colors, including red, orange, yellow, blue, and purple. The ship's hull and superstructure are visible, showing complex machinery and structural elements. The water shows some ripples and small waves.

CAPE OF GOOD HOPE: GLOBAL INTERNATIONAL TRANSPORTATION MANAGEMENT (ITM) MARKET ANALYSIS

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ABOUT ARMSTRONG & ASSOCIATES, INC.

Armstrong & Associates, Inc. (A&A), founded in 1980, is a leader in Third-Party Logistics (3PL) market research, consulting, and M&A advisory services. A&A has become an internationally recognized key resource for information and consulting in the 3PL market.

A&A's mission is to possess leading proprietary knowledge in supply chain management and market research that is not available anywhere else. Our ongoing commitment to this mission is demonstrated by the frequent citations of A&A's 3PL market research in media articles, publications, and the securities filings of publicly traded 3PL companies. Additionally, A&A's email newsletter currently has over 88,000 subscribers worldwide.

A&A's market research enhances its consulting services by providing continuously updated data for analysis. Leveraging its extensive knowledge of the third-party logistics (3PL) market and the operations of top 3PL providers, A&A has delivered strategic planning consulting to more than 50 3PL companies. Additionally, it has supported 26 completed investment transactions and offered advice to numerous organizations seeking to benchmark their current 3PL operations or outsource logistics functions.

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1. Executive Summary

International Transportation Management (ITM) entered 2026 as the fastest-growing segment of the global third-party logistics (3PL) market. Following a multi-year boom-and-bust cycle that saw global ITM revenues surge from \$274 billion in 2019 to a peak of \$533 billion in 2022, then collapse 46.5% to \$285 billion in 2023, the segment has spent 2024 and 2025 rebuilding from a more sustainable base. Armstrong & Associates' updated estimates show global ITM gross revenue reached \$329.0 billion in 2025, up 8.0% year over year, and is projected to grow another 5.5% to \$347.1 billion in 2026E and 4.2% to \$361.6 billion in 2027E.

The segment's recovery is being shaped by an unusually complex set of forces. On the demand side, importers have been frontloading shipments ahead of expected tariff changes, the U.S. Supreme Court's decision striking down the IEEPA-based tariff regime has been quickly replaced by a 10% global tariff under Section 122, and the de minimis exemption for China-origin imports has been eliminated. On the supply side, the conflict in the Middle East has rerouted Asia-Europe and Asia-U.S. East Coast ocean traffic around the Cape of Good Hope (extending transits 10–14 days) and forced air carriers to detour around restricted Gulf airspace. Approximately 15% of scheduled sailings on major East-West lanes have been blanked, and roughly 8–10% of global container capacity has been temporarily sidelined in or near the Persian Gulf.

Key findings

- Global ITM gross revenue is projected to grow at a 4.2% CAGR from 2026E–2027E, recovering toward the long-term trend after a 3% CAGR over 2017–2025 that masked extreme cycle volatility.
- North America has been the structural winner from the 2017–2025 cycle, growing its share of global ITM from 24.8% in 2017 to 30.1% in 2025 as nearshoring, the Mexico cross-border boom, and U.S. import frontloading reshaped flows.
- Asia Pacific remains the largest regional ITM market at \$122.0 billion in 2025 (37.1% global share), with Greater China alone accounting for \$76.4 billion (23.2%); ASEAN (\$14.1 billion) is the fastest-growing AP sub-region as the China-plus-one sourcing shift moves volume to Vietnam, Indonesia, Thailand, and the Philippines.
- Europe's ITM share has eroded from 19.1% in 2017 to 17.1% in 2025, reflecting weaker manufacturing output, energy-cost headwinds, and the structural shift of trans-Pacific volumes toward U.S. consumption.
- The Top 25 global freight forwarder rankings have been reshaped by two transformative deals: DSV's \$15.9 billion acquisition of DB Schenker (closed April 30, 2025) created a top-2 global player, and CMA CGM's \$5.3 billion purchase of Bolloré Logistics (rebranded into CEVA Logistics) elevated CEVA into the top 5.
- Air cargo demand grew 11.2% year over year in February 2026 (IATA), supported by a global manufacturing PMI of 53.1 and a new export orders PMI of 51.4, the highest reading since July 2021. Capacity grew only 8.5%, keeping load factors elevated.
- Digitalization is widening the gap between large and small forwarders. Approximately half of forwarders have automated documentation, compliance, and invoicing workflows, and major platforms (Kuehne+Nagel myKN, DHL, DSV's "ONE DSV," Maersk OneWireless, NIPPON EXPRESS AI load prediction) are pulling ahead through AI investment that smaller competitors cannot match.

- Buy-side M&A in global 3PL remained intense through 2025, with three transactions over \$1 billion in early 2025 alone, and 23 large deals (>\$100 million) in total, building on the 18 large deals closed in 2024. Strategic acquirers are paying for geographic coverage, vertical specialization, value-added services, and technology platforms.

Outlook

The 2026E–2027E ITM forecast assumes (a) gradual de-escalation of Middle East–related disruption, (b) stabilization of U.S. tariff policy at the current 10% Section 122 baseline (with sectoral overlays), (c) continued nearshoring momentum into Mexico and ASEAN, (d) modest global GDP growth of approximately 3% per year, and (e) ocean rate normalization as carrier capacity discipline gradually relaxes. Downside risks include any escalation that sustains Cape of Good Hope routing through 2027, a renewed tariff cycle that fragments customer supply chains further, or a softer-than-expected U.S. consumer spending that compresses Trans-Pacific demand.

2. The Global ITM Market 2017-2027E

Armstrong & Associates' April 2026 update of its global 3PL revenue model provides an 11-year window across the most volatile period in the modern history of international freight. The data captures the late-2010s steady growth phase, the COVID-era surge, the post-pandemic correction, and the early stages of what we expect will be a sustained rebuild through 2027.

Global ITM gross revenue grew from \$258.9 billion in 2017 to a peak of \$533.1 billion in 2022, an average compound rate of 15.5% over five years, driven by ocean and air rate inflation, container shortages, and pandemic-era inventory builds. The 2023 correction was severe and rapid: ITM revenue fell 46.5% in a single year to \$285.2 billion as ocean and air rates normalized and customer destocking compressed volumes.

Since 2023, ITM has rebuilt steadily. Revenue grew 6.9% to \$304.8 billion in 2024, 7.9% to \$329.0 billion in 2025, and is forecast to grow another 5.5% to \$347.1 billion in 2026E and 4.2% to \$361.6 billion in 2027E. The 2017–2025 CAGR of 3.0% understates the segment's structural growth because it includes the post-2022 correction; the 2017–2019 pre-COVID CAGR of 2.8% is a closer proxy for the underlying trend rate.

Figure 1. Global ITM Gross Revenue, 2017–2027E

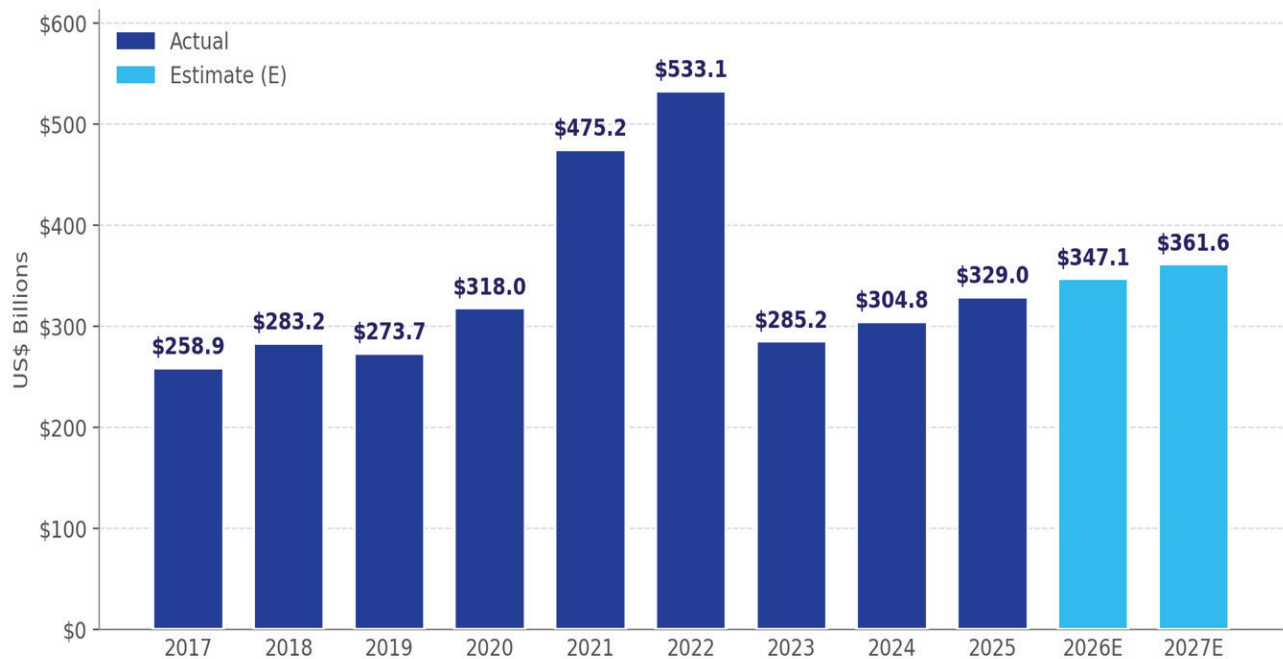


Table 1. Global ITM Gross Revenue Growth Rates, 2017–2027E

Year	Global ITM (\$B)	YoY %
2017	\$258.9	—
2018	\$283.2	+9.4%
2019	\$273.7	–3.4%
2020	\$318.0	+16.2%
2021	\$475.2	+49.4%
2022	\$533.1	+12.2%
2023	\$285.2	–46.5%
2024	\$304.8	+6.9%
2025	\$329.0	+8.0%
2026E	\$347.1	+5.5%
2027E	\$361.6	+4.2%
CAGR 2017–2025	—	3.0%
CAGR 2026E–2027E	—	4.2%

Source: Armstrong & Associates, Inc. Global Logistics Costs and 3PL Revenues database, updated April 14, 2026.

Regional ITM Market Sizes, 2017–2025–2027E

Regional ITM revenues tell a more nuanced story than the global aggregate. North America has been the structural winner of the 2017–2025 cycle, growing 5.6% per year and lifting its global ITM share from 24.8% to 30.1%. The drivers: persistent U.S. import demand, accelerated nearshoring through Mexico, and a Trans-Pacific rate environment that disproportionately benefited U.S.-trade-focused forwarders. Asia Pacific remains the largest regional ITM market by absolute size at \$122.0 billion in 2025, but its global share slipped from 39.5% in 2017 to 37.1% in 2025.

Europe's ITM share contracted meaningfully, from 19.1% in 2017 to 17.1% in 2025, reflecting weaker manufacturing output, energy-cost headwinds following the 2022 gas-price shock, and the structural shift of intercontinental volumes toward Asia–North America corridors. The Middle East, South America, Africa, and CIS regions each represent under 5% of global ITM but include some of the fastest-growing pockets of the market: ASEAN (within Asia Pacific) grew 3.0% per year over 2017–2025 and is projected to accelerate to 4.2% over 2026E–2027E as nearshoring beneficiaries scale.

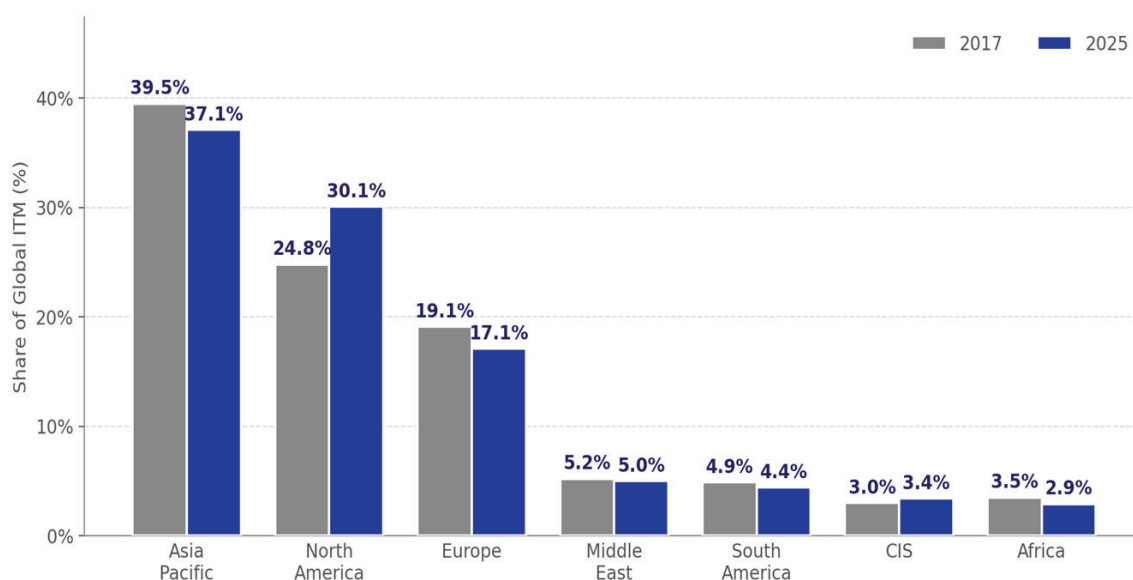
Figure 2. ITM Regional Share of Global, 2017 vs. 2025

Table 2. ITM Regional Share of Global, 2017 vs. 2025 and 2027E

Region	2017 (\$B)	2025 (\$B)	2027E (\$B)	2017 Share	2025 Share
Asia Pacific	\$102.1	\$122.0	\$134.3	39.5%	37.1%
Greater China	\$58.2	\$76.4	\$84.2	22.5%	23.2%
ASEAN	\$11.1	\$14.1	\$15.7	4.3%	4.3%
North America	\$64.3	\$99.1	\$108.2	24.8%	30.1%
United States	\$53.6	\$85.9	\$93.0	20.7%	26.1%
Europe	\$49.4	\$56.2	\$62.0	19.1%	17.1%
Middle East	\$13.5	\$16.3	\$17.3	5.2%	5.0%
South America	\$12.6	\$14.5	\$17.0	4.9%	4.4%
CIS	\$7.8	\$11.2	\$11.6	3.0%	3.4%
Africa	\$9.2	\$9.7	\$11.4	3.5%	2.9%
Global Total	\$258.9	\$329.0	\$361.6	100.0%	100.0%

Source: Armstrong & Associates, Inc. "Key Regions" database, updated April 19, 2026.

Top Country Markets

At the country level, the global ITM market is highly concentrated. The United States (\$85.9 billion) and Greater China (\$76.4 billion) together account for 49.3% of global ITM revenue in 2025, and the top 10 country markets represent over 80% of global revenue. Japan (\$9.7 billion), Germany (\$9.4 billion), India (\$9.3 billion), Brazil (\$7.9 billion), the United Kingdom (\$7.2 billion), and France (\$6.9 billion) round out the major individual country markets.

The most striking country-level trends since 2017 are the divergence between Mexico and Japan. Mexico's ITM revenue grew from \$4.4 billion in 2017 to \$5.6 billion in 2025 (CAGR 3.1%) and is projected to accelerate to \$6.7 billion by 2027E, supported by USMCA-driven cross-border manufacturing investment and the return of high-tech production to North America. Japan, by contrast, peaked at \$13.4 billion in 2017 and has since contracted to \$9.7 billion, a -3.8% annual decline reflecting the structural weakness of Japanese export volumes, the yen's weakness, and the ongoing demographic pressure on Japan's domestic-export manufacturers.

Table 3. Top Country Markets, 2017-2025-2027E

Country	2017 (\$B)	2025 (\$B)	2027E (\$B)	CAGR 2017-2025
United States	\$53.6	\$85.9	\$93.0	+6.1%
China (PRC)	\$55.4	\$73.0	\$80.4	+3.5%
Japan	\$13.4	\$9.7	\$9.8	-4.0%
Germany	\$9.2	\$9.4	\$10.1	+0.2%
India	\$7.4	\$9.3	\$10.7	+3.0%
Brazil	\$6.6	\$7.9	\$9.5	+2.2%
United Kingdom	\$6.3	\$7.2	\$7.7	+1.7%
France	\$6.6	\$6.9	\$7.4	+0.5%
Indonesia	\$5.1	\$6.5	\$7.3	+3.0%
Mexico	\$4.4	\$5.6	\$6.7	+3.1%
Italy	\$5.1	\$5.3	\$5.7	+0.5%
Canada	\$4.5	\$5.2	\$5.8	+2.0%
Spain	\$3.1	\$3.5	\$4.0	+1.7%
Netherlands	\$2.6	\$3.1	\$3.5	+2.4%

Source: Armstrong & Associates, Inc. country-level ITM database, updated April 14, 2026.

ITM in Context: Logistics Cost and 3PL Penetration

Global logistics costs reached \$12.96 trillion in 2025, of which 3PL revenue represented 10.04%, a penetration rate that has been remarkably stable since 2020 even as nominal logistics spend has grown by more than 30%. ITM gross revenue specifically is approximately 2.5% of global logistics costs, reflecting the fact that international freight forwarding largely passes through carrier costs (ocean lines, airlines) where the forwarder retains a margin on the management of the shipment rather than the underlying transportation.

This pass-through dynamic explains why ITM's gross revenue swings so dramatically with rate cycles. The 2021–2022 surge in ocean freight rates (Shanghai Containerized Freight Index peaked above 5,000 points in early 2022) directly inflated ITM gross revenue without proportionally increasing forwarder net revenue or profit. The 2023 collapse worked in reverse. ITM net revenue is therefore a more stable indicator of forwarder economic health than gross revenue, and is examined alongside gross revenue throughout this report.

3. Top ITM 3PLs

Armstrong & Associates ranks the top 25 global freight forwarders using a combined index based on three measures: gross logistics revenue (which captures the financial scale of the business), ocean freight forwarding volume measured in twenty-foot equivalent units (TEUs), and air freight forwarding volume measured in metric tons. Each forwarder receives a rank in each of the three categories, and the combined ranking is the average of the three. This methodology rewards forwarders with balanced air-and-ocean capabilities and significant scale, rather than forwarders that may have outsized revenue from non-forwarding 3PL activities or that specialize in only one mode.

Table 4. A&A's Top 25 Global Freight Forwarders — 2026

Ranked by combined score across 2025 gross logistics revenue, ocean TEUs, and air metric tons. Updated May 11, 2026.

Rank	Provider	HQ	Gross Rev (\$M)	Ocean TEUs	Air Met Tons
1	Kuehne + Nagel	Switzerland	\$33,836	4,325,000	2,030,280
1	DSV	Denmark	\$37,379	3,695,424	2,013,127
2	DHL Supply Chain & Global Forwarding	Germany	\$35,538	3,274,000	1,767,000
3	Sinotrans	China	\$13,580	4,925,154	912,000
4	NIPPON EXPRESS	Japan	\$17,199	1,806,197	933,201
5	CEVA Logistics	France	\$18,300	1,730,000	680,000
6	Expeditors	United States	\$11,069	855,200	928,000
7	C.H. Robinson	United States	\$14,768	1,256,000	280,000
7	KLN	Hong Kong, SAR	\$7,471	1,149,956	840,508
8	GEODIS	France	\$11,700	962,000	267,056
9	Cosco Shipping Logistics	China	\$8,989	1,961,791	207,656
10	Maersk Logistics	Denmark	\$15,103	635,000	318,000
11	Hellmann Worldwide Logistics	Germany	\$3,952	955,000	595,000
12	Kintetsu World Express	Japan	\$5,018	738,003	546,095
13	UPS Supply Chain Solutions	United States	\$8,771	530,000	790,000
14	Yusen Logistics	Japan	\$5,157	632,000	280,320
15	LX Pantos	South Korea	\$5,624	1,633,000	126,000
16	DACHSER	Germany	\$9,349	544,196	238,613
17	CTS International Logistics	China	\$2,401	842,700	331,900
18	AWOT Group	China	\$3,350	402,000	785,000
19	CIMC Wetrans Logistics	China	\$3,808	961,197	114,000
19	Scan Global Logistics	Denmark	\$2,851	691,000	212,000
20	Rhenus Logistics	Germany	\$8,869	567,089	110,595
21	Logwin	Luxembourg	\$1,530	685,000	188,000
21	Savino Del Bene	Italy	\$3,500	852,000	93,000

Source: Armstrong & Associates, A&A's Top 25 Global Freight Forwarders List — 2026, Updated May 11, 2026.

Concentration and Geographic Distribution

Note on revenue figures: the gross logistics revenue figures shown in the Top 25 table reflect each provider's total reported logistics revenue across all 3PL segments (DTM, ITM, DCC, and VAWD), not ITM gross revenue alone. They are included here because they provide the most consistent published measure of overall provider scale, but they should not be compared directly to A&A's \$329 billion 2025 global ITM market estimate. The more accurate measures of ITM-specific concentration are the ocean TEU and air metric ton volume figures, which capture forwarder activity within the ITM segment directly.

Concentration at the top of the global 3PL industry is significant on multiple measures. The top 5 freight forwarders by combined ranking, namely Kuehne + Nagel, DSV, DHL Supply Chain & Global Forwarding, Sinotrans, and NIPPON EXPRESS, together generate approximately \$137.5 billion of gross logistics revenue across all 3PL segments (DTM, ITM, DCC, and VAWD), representing 10.6% of A&A's \$1.30 trillion 2025 global total 3PL gross revenue estimate. By ITM volumes specifically, these same five providers handle approximately 18.0 million TEUs of ocean cargo and 7.7 million metric tons of air cargo annually. Industry estimates of total global containerized ocean trade place 2025 volumes in the range of 200–220 million TEUs of port lifts (or roughly 175–190 million TEUs of one-way ocean freight movements), with global air cargo volumes in the range of 65–70 million metric tons. On those bases, the top 5 forwarders manage on the order of 9–10% of global containerized ocean freight movements and 11–12% of global air cargo. Whether measured by overall 3PL gross revenue or by ITM-specific volumes, the consistent picture is that the top of the global freight forwarding industry has steadily concentrated through the past decade of consolidation.

By headquarters geography, the top 25 list is dominated by Europe (12 forwarders: 4 Germany, 3 Denmark, 2 France, 1 Switzerland, 1 Italy, 1 Luxembourg), Asia (10: 5 China, 3 Japan, 1 Hong Kong SAR, 1 South Korea), and the Americas (3 U.S.). DSV's acquisition of DB Schenker formally closed on April 30, 2025; the rebranded combined entity now ranks among the top 2 globally and has reduced the count of stand-alone Top-25 German forwarders from 5 to 4. CEVA Logistics' integration of Bollore Logistics (acquired by parent CMA CGM for \$5.3 billion in February 2024) has elevated CEVA into the top 5.

Mode-Specific Leadership, Ocean vs. Air

Table 5. Top 5 by Ocean TEUs (2025)

Rank	Provider	Ocean TEUs
1	Sinotrans	4,925,154
2	Kuehne + Nagel	4,325,000
3	DSV	3,695,424
4	DHL Supply Chain & Global Forwarding	3,274,000
5	Cosco Shipping Logistics	1,961,791

Table 6. Top 5 by Air Metric Tons (2025)

Rank	Provider	Air Metric Tons
1	Kuehne + Nagel	2,030,280
2	DSV	2,013,127
3	DHL Supply Chain & Global Forwarding	1,767,000
4	NIPPON EXPRESS	933,201
5	Expeditors	928,000

Source: Armstrong & Associates Top 25 Global Freight Forwarders, May 2026.

The mode-specific leaderboard is revealing. Sinotrans is the largest ocean forwarder by TEU volume but ranks 3rd by gross revenue, reflecting the lower revenue-per-TEU economics of its primarily intra-Asia and Asia-export book. Kuehne + Nagel and DSV are nearly tied at the top of both the ocean and air leaderboards, with DSV expected to consolidate the No. 1 position over 2026 as the DB Schenker integration matures. Expeditors' top-5 position in air freight metric tons (despite ranking 6th overall) reflects its longstanding focus on high-yield air-cargo customers in technology, retail, and industrial markets, a positioning that has shielded it from much of the post-2022 ocean rate volatility.

4. Individual ITM 3PL Growth Commentary

This section provides growth commentary on the leading global ITM 3PLs, drawing on Armstrong & Associates' Top 50 Global 3PLs analysis and [Who's Who in Logistics 3PL Guide](#), and the most recent earnings releases of publicly traded forwarders. Forwarders are presented in order of their A&A 2026 combined ranking.

Kuehne + Nagel (Switzerland)

Kuehne + Nagel reported 2025 gross revenue of \$33.8 billion and remains the global #1 by air freight metric tons (2,030,280) and #2 by ocean TEUs (4,325,000). The company has positioned tracking and visibility as its key competitive differentiator. Its myKN digital platform aggregates data from over 1,200 shipping lines, offers predictive ETAs, and delivers AI-powered analytics; CEO Stefan Paul has indicated significant efficiency gains over the next 18 months from continued AI investment, and reports suggest the company has begun upselling AI consulting services to large customers.

Strategically, Kuehne + Nagel is doubling down on contract logistics/value-added warehousing and distribution in addition to forwarding, having reorganized its global business along customer-segment lines (technology, automotive, healthcare, etc.) rather than purely product lines. We expect K+N to defend its #1 air position aggressively through 2027 even as DSV closes the gap on ocean.

DSV (Denmark)

DSV's \$15.9 billion acquisition of DB Schenker, which closed April 30, 2025, is the largest 3PL transaction in industry history. The combined entity has 2025 gross revenue of \$37.4 billion and ranks #1 globally by combined freight forwarding metrics, tied with Kuehne + Nagel. DSV's stated post-merger strategy centers on "ONE DSV," a single integrated digital freight forwarding platform combining DSV's existing technology stack with DB Schenker's global network reach, with particular emphasis on cargo visibility, optimized air capacity utilization, and a unified customer interface. Management has indicated that the operational integration will run through 2026 and 2027, with full revenue and cost synergies expected by 2028. DSV's 2025 ocean volume of 3,695,424 TEUs and air volume of 2,013,127 metric tons reflect the immediate post-close combined book; we expect modest customer attrition in 2026 as some shippers diversify exposure away from the now-larger entity, partially offset by share gains from cost-and-network synergies.

DHL Supply Chain & Global Forwarding (Germany)

DHL's Supply Chain and Global Forwarding divisions reported 2025 gross revenue of \$35.5 billion combined. Global Forwarding alone handles 3,274,000 ocean TEUs and 1,767,000 air metric tons, ranking #4 ocean and #3 air globally. DHL continues to invest heavily in advanced air freight management systems integrating tracking, customs compliance, and automated documentation, with a particular emphasis on time-sensitive shipments in pharmaceuticals, technology, and industrial. DHL's strategic positioning has shifted somewhat under parent Deutsche Post DHL toward operational profitability over top-line growth, reflecting investor pressure following the post-pandemic earnings normalization.

Sinotrans (China)

Sinotrans is the world's largest ocean freight forwarder by TEU volume (4,925,154 in 2025) and the leading Chinese state-owned forwarder under parent China Merchants Group. Its 2025 gross revenue of \$13.6 billion is significantly lower than its top-ranked Western peers because its book is heavily weighted toward intra-Asia and Asia-export ocean lanes with lower revenue-per-TEU economics. Sinotrans benefits structurally from preferential access to Chinese state-owned shipping line capaci-

ty (notably COSCO Shipping) and is the dominant forwarder for many Chinese exporters. We expect Sinotrans to continue gaining global ocean TEU share through 2027 as Chinese export volumes diversify into new ASEAN-routed manufacturing relationships.

NIPPON EXPRESS (Japan)

NIPPON EXPRESS is Japan's largest domestic transportation company; over 80% of its revenue is generated from Japanese operations, with international forwarding and contract logistics/value-added warehousing and distribution tied to its Japanese base. Its 2024 acquisition of Austria-based ITM 3PL cargo-partner advanced NIPPON EXPRESS's strategy to become a global mega-freight forwarder and contributed to a meaningful expansion of its European network. NIPPON EXPRESS has implemented AI-powered load prediction software as part of a broader digital transformation program responding to Japan's structural labor shortage. 2025 ocean TEUs of 1,806,197 and air metric tons of 933,201 rank NIPPON EXPRESS #5 in both modes globally.

CEVA Logistics (France)

CEVA Logistics, owned by container shipping line CMA CGM, completed the integration of Bolloré Logistics in 2025 following the February 2024 close of CMA CGM's \$5.3 billion acquisition. CEVA's 2025 gross revenue of \$18.3 billion makes it a top-5 global freight forwarder. The Bolloré acquisition brought a strong African forwarding network, expanded European contract logistics/value-added warehousing and distribution, and additional automotive-vertical capabilities. CEVA benefits uniquely from intra-CMA CGM coordination by directly accessing CMA CGM's container capacity, port terminals (CMA Terminals), and digital infrastructure, making it one of only two truly vertically integrated ocean carrier-forwarder combinations (the other being Maersk Logistics).

Expeditors (United States)

Bellevue, Washington-based Expeditors reported 2025 gross revenue of \$11.1 billion (+4.4% YoY) and net revenue of \$3.7 billion (+7.4%). Volumes were up in both modes; A&A estimates its air freight metric tons reached 928,000 and ocean TEUs 855,200. Expeditors' positioning as a premium-yield, technology-focused forwarder serving large multinational shippers in technology, retail, and industrial markets has insulated it from much of the post-2022 ocean rate volatility that hurt more transactional competitors. The company's well-documented commercial discipline (it has historically declined business that does not meet its margin thresholds) and its bottom-up technology investment posture remain key differentiators.

C.H. Robinson (United States)

C.H. Robinson's Global Forwarding business had a difficult 2025: gross revenue dropped 18.8% to \$3.1 billion and net revenue fell 7.6% to \$741.9 million, with annual ocean volumes down 8.8% to 1,256,000 TEUs and air volumes down 9.7% to 280,000 metric tons. The decline reflects a combination of lost market share to peers, customer attrition from post-pandemic capacity rationalization, and the company's broader strategic focus on its dominant North American freight brokerage business. C.H. Robinson remains North America's largest freight broker by gross revenue (by \$4.2 billion over TQL) and continues to use its global forwarding business primarily as an extension of its multinational shipper relationships.

KLN (Hong Kong SAR)

Hong Kong-based KLN (formerly Kerry Logistics Network), which rebranded from Kerry Logistics to KLN in March 2025, is a majority-owned subsidiary of mainland Chinese express parent S.F. Holding, which acquired a 51.8% controlling stake in 2021 for HKD 17.6 billion (\$2.3 billion). A&A characterizes KLN as an “Asia-based, global 3PL with a highly diversified business portfolio and one of the strongest networks in Asia.” KLN operates a hybrid asset-based and non-asset-based model with 18,000 employees, originating in integrated logistics, international freight forwarding, e-commerce, and industrial project logistics. 2025 gross logistics revenue reached \$7.471 billion, supported by 840,508 air metric tons and 1,149,956 ocean TEUs. Both KLN's integrated logistics and international freight forwarding segments reported profit growth in 2025, supported by accelerating Southeast Asia and South Asia volumes as multinational shippers continue diversifying sourcing away from China.

GEODIS (France)

Owned by SNCF Logistics (the logistics arm of French state railway SNCF), GEODIS reported 2025 gross revenue of \$11.7 billion with 962,000 ocean TEUs and 267,056 air metric tons. GEODIS has maintained its top-10 ranking through targeted acquisitions in contract logistics/value-added warehousing and distribution and e-commerce fulfillment, complementing its forwarding base. The company's strategic priority for 2026 is the build-out of its e-commerce fulfillment network in North America and Europe, where it competes with the asset-heavy 3PL arms of Amazon and other marketplace integrators.

Cosco Shipping Logistics (China)

Beijing-based Cosco Shipping Logistics, the integrated logistics arm of state-owned China COSCO SHIPPING Corporation Limited, enters the Top 25 Global Freight Forwarders ranking at #9 in 2026 and is characterized by A&A as a “Chinese leading NVOCC and freight forwarder.” Founded in 1953, the company operates a hybrid asset-based and non-asset-based model with 10,016 employees. The ocean volume places Cosco Shipping Logistics #5 globally, behind only Sinotrans, Kuehne + Nagel, DSV, and DHL. Parent COSCO SHIPPING is deepening its vertical integration of the logistics arm. Cosco Shipping Logistics operates 187 warehouses globally (65.09 million sqft, including 18 bonded facilities) with regional subsidiaries in Shanghai, Ningbo, Europe (Germany), and Japan, a footprint built around state-owned ocean-carrier integration and a structurally export-led China customer base.

Maersk Logistics (Denmark)

Maersk Logistics, the Integrated Logistics & Services division of A.P. Moller-Maersk, reported 2025 gross revenue of \$15.1 billion with 318,000 air metric tons and an estimated 635,000 ocean TEUs of forwarding volume. Maersk's strategy continues to differ from its forwarder-only peers: the company is using its container shipping line to anchor an integrated logistics offer, with the launch of its One-Wireless container tracking platform and a new consolidated digital platform supporting integrated supply chain management for shippers willing to commit ocean and inland transportation through Maersk. The integrated-carrier model has not produced the financial returns Maersk anticipated (its 2025 logistics segment EBITDA margin remained well below stand-alone forwarders), but the strategy remains in place under CEO Vincent Clerc.

5. Air & Ocean ITM Market Trends by Region and Country

April 2026 conditions in international air and ocean freight markets reflect a deeply unusual operating environment: stable headline rates and demand levels masking significant underlying network constraint. Three forces are simultaneously shaping the market: Middle East conflict-driven rerouting, elevated and volatile fuel costs, and disciplined carrier capacity management. Together they have reduced the global freight network's ability to absorb additional disruption.

Ocean Freight Market

Capacity discipline and blank sailings

Ocean carriers have continued aligning capacity with softer demand through blank sailings and service changes following the Lunar New Year. Approximately 15% of scheduled sailings on major East–West lanes were blanked between early February and early March 2026, with similar patterns continuing into April. While vessel utilization is not at peak levels in absolute terms, space availability has become less consistent across sailings and ports, a more constrained operating environment than headline utilization data would suggest. Pricing structures are evolving in parallel: carriers are adjusting general rate increase (GRI) levels, surcharges, and validity periods more frequently, contributing to shorter pricing windows and a growing share of total transportation cost being driven by floating components, particularly fuel-related surcharges.

Middle East rerouting and Suez Canal status

The conflict in the Middle East continues to influence global routing patterns and capacity availability. Most major carriers have suspended transits through the Suez Canal, routing vessels around the Cape of Good Hope and extending transit times on Asia–Europe and Asia–U.S. East Coast (USEC) lanes by approximately 10–14 days. As of late March 2026, approximately 150 vessels carrying an estimated 450,000 TEUs were delayed or unable to transit the Persian Gulf region, temporarily sidelining an estimated 8–10% of global container capacity. Some carriers have limited bookings into affected ports or adjusted service coverage, and force majeure has been declared in certain instances.

Secondary effects are spreading across the broader network. Transshipment hubs such as Colombo, Singapore, and Tanjung Pelepas are experiencing increased volumes and higher yard utilization. Equipment availability is becoming less predictable in certain regions as containers remain tied up in extended voyages or are repositioned outside typical flows. Earlier industry expectations that carriers would gradually return to Suez routings have been pushed back as Iran-related Houthi threats reversed that momentum, removing one major source of capacity relief from the 2026 outlook.

Trans-Pacific and Trans-Atlantic

On the Trans-Pacific, the late-February 2026 U.S. policy change affecting import tariffs created the potential for duty refunds, and some importers appear to have accelerated shipments in response. The end of the de minimis exemption for China-origin imports has additionally shifted cross-border e-commerce patterns toward U.S.-domestic fulfillment networks, putting upward pressure on Trans-Pacific ocean volumes during a period when carrier capacity discipline remained tight.

On the Trans-Atlantic, the withdrawal of a service loop at the end of March 2026 has reduced available capacity on North America–Europe lanes. Early signals indicate bookings are filling earlier on remaining services, putting upward pressure on rates ahead of GRIs.

Air Freight Market

February 2026 IATA Cargo Data

Global air cargo demand grew 11.2% year over year in February 2026 (international operations: +11.6%), with capacity growing 8.5% (+9.8% international), per IATA's monthly air cargo market analysis. The growth reflected pre-Lunar New Year frontloading combined with a manufacturing PMI of 53.1 (above the 50-point expansion threshold) and a new export orders PMI of 51.4, the highest reading since July 2021. Global goods trade grew 5.2% year over year in January 2026, providing supportive macro conditions for air cargo demand. Jet fuel prices rose 1.2% year over year in February, with a widening Brent-jet fuel crack spread highlighting continued volatility in refining margins.

Airspace Constraints and India-Origin Tightness

Airspace restrictions across the Middle East are reducing routing flexibility for carriers operating between Asia, Europe, and the Indian Subcontinent. Flights that would typically transit Gulf airspace are being diverted via Central Asia or North Africa, increasing flight times by 1–3 hours and raising fuel consumption and operating costs. Even where nominal lift exists, effective capacity is reduced due to longer aircraft rotations and tighter scheduling windows. India-origin lanes are particularly affected: carriers report constrained outbound conditions driven by limited freighter availability, re-routed services, and sustained demand for high-value and time-sensitive cargo. Booking lead times of 5–7 days are becoming common for general India-origin cargo, with longer timelines required for specialized shipments such as pharmaceuticals or temperature-controlled goods. Disruptions to Emirates, Qatar, and Etihad cargo hubs have caused capacity to fall and rates to jump, particularly from South and Southeast Asia where dependence on Gulf hubs is highest.

Trans-Atlantic Relative Balance

Trans-Atlantic air freight stands out as a relative point of balance in the April 2026 environment. Capacity remains more available on Europe–North America lanes, supported by passenger belly capacity and softer manufacturing demand in parts of Europe. This has created a window of opportunity for shippers moving time-sensitive cargo or seeking ocean alternatives. The balance could shift quickly: increased modal shifts from ocean freight or a recovery in European manufacturing output could tighten capacity on these lanes with limited lead time.

Fuel Costs and Surcharges

Fuel costs are adding a layer of complexity to both ocean and air freight pricing. Crude oil prices have increased materially since the onset of the Middle East conflict, contributing to the introduction or expansion of emergency bunker surcharges (EBS), war-risk charges, and emergency fuel surcharges (EFS) across multiple trade lanes. While exact impacts vary by lane, these surcharges are raising total landed costs even where base freight rates remain stable. Shorter notice periods and reduced validity windows for surcharge adjustments are making forward cost planning more challenging for shippers and forwarders alike.

Table 7. Regional Lane Summary

Lane	April 2026 Conditions	Key Watch Items
Asia-Europe (Ocean)	Cape of Good Hope routing extends transit 10–14 days; capacity tighter than headline rates suggest	Suez resumption timing; Houthi threat trajectory
Asia-USWC (Ocean)	Stable rates; tariff frontloading + de minimis end driving volume	Trans-Pacific Stabilization Agreement renewal; Section 122 tariff overlays
Asia-USEC (Ocean)	Cape of Good Hope routing; some carriers return via Panama Canal	Panama Canal water levels; East Coast labor
Trans-Atlantic (Ocean)	Trans-Atlantic loop withdrawal late March; tightening	Service network reconfiguration
India-Europe / Gulf (Air)	Airspace constraints; 5–7 day booking lead times	Gulf hub disruption; freighter availability
Asia-Europe (Air)	Effective capacity reduced by longer routings	China-EU air freight rates; e-commerce demand
Trans-Pacific (Air)	Post-LNY normalization; mixed shipper behavior	Tariff frontloading vs. fuel-driven cost pressures
Trans-Atlantic (Air)	Relatively balanced; passenger belly capacity supportive	Modal shift from ocean; European manufacturing recovery

Source: Synthesis of C.H. Robinson April 2026 Freight Market Updates (ocean and air); IATA February 2026 air cargo market analysis; Web-Cargo March 2026 Freight Market Update; A&A internal commentary.

6. ITM 3PL Customer Trends

Customer behavior in international freight has been reshaped by the past four years of disruption. Drawing on Armstrong & Associates' [2026 Convergence: Trends in 3PL/Customer Relationships report](#) and our proprietary database, this section identifies the most consequential shifts in how ITM customers (large multinational shippers, mid-market manufacturers, and emerging cross-border e-commerce sellers) are sourcing, contracting, and managing their freight forwarder relationships.

Multi-3PL Networks Have Become the Default

Large multinational shippers increasingly use multi-3PL freight forwarder networks rather than concentrating volume with one or two providers. The 2021–2022 capacity crunch convinced most large customers that single-source forwarder dependency is too risky, and the post-2022 rate normalization removed the discount-leverage incentive to consolidate volume. Today, the typical large multinational shipper uses multiple forwarders across air and ocean, with award allocations that can shift quarterly as service performance and rate levels move.

This multi-forwarder default has made integration complexity a competitive battleground. Customers want a single dashboard view across multiple forwarders, and the forwarders that can integrate cleanly into customer transportation management systems (TMS) through APIs, EDI, and digital control towers, have a structural advantage.

Contract Mechanics Are Shifting

Ocean and air freight contracts continue to follow an annual cycle (anchored in ocean by the Q1–Q2 trans-Pacific contract season), but their internal mechanics have grown more fluid. Floating-rate elements (fuel surcharges, war-risk charges, GRIs, peak-season surcharges) now represent a growing share of total transportation cost. Mid-year renegotiations have become routine, and an increasing share of large shippers are adopting index-linked contracts that tie rates to market benchmarks (Drewry WCI, Freightos FBX, Xeneta XSI) rather than fixed annual rates. The result is that annual contracts increasingly behave like rolling, market-indexed instruments - providing both rate transparency for shippers and downside protection if rates fall.

Sourcing Shift: China-Plus-One

The China-plus-one sourcing trend has matured into a structural reality. ITM customers increasingly require their forwarders to support multi-origin programs, typically a primary China origin plus one or two backup origins in Vietnam, India, Mexico, or another ASEAN country. Forwarders are responding by rapidly expanding their networks in these new origin countries: Kuehne + Nagel, DHL, DSV, and Sinotrans have all announced significant Vietnam and India network expansions over the past 24 months.

Mexico has emerged as a particularly important nearshoring destination for North American customers. Cross-border manufacturing investment in northern Mexico has driven a surge in cross-border drayage demand and Laredo and El Paso border-crossing capacity utilization. Forwarders that can offer integrated air-ocean-truck-customs solutions across the U.S.–Mexico border are commanding premium rates.

Demand for Customs and Trade Compliance Consulting

With increasing tariff complexity, large shippers are demanding consulting services on top of standard freight forwarding. Foreign Trade Zone (FTZ) analysis, duty drawback programs, tariff classification, country-of-origin management, and sectoral-tariff impact modeling are now expected services from major forwarders. Several Top 25 forwarders have stood up dedicated customs and trade compliance practices, monetizing what was historically a free advisory service. The end of the de minimis exemption for China-origin imports has further expanded demand for sophisticated customs brokerage support.

Cross-Border E-Commerce Fulfillment

Many freight forwarders have built expertise in cross-border e-commerce logistics, including origin consolidation, pick/pack, last-mile delivery, returns management, and value-added services such as destination-market labeling. The end of the de minimis exemption has fundamentally altered the economics of direct-to-consumer cross-border shipping from China, accelerating customer demand for U.S.-domestic fulfillment networks operated by their forwarders. Shein, Temu, and other large cross-border e-commerce players have begun building U.S.-based fulfillment with forwarder partners as a result.

Sustainability and Carbon Reporting

Customer demand for emissions reporting has become near-universal among large multinational shippers. Many freight forwarders can now calculate emissions estimates for each shipment, offer carbon offset programs, and help customers meet their Environmental, Social, and Governance (ESG) reporting requirements. Smart route optimization platforms increasingly factor not just cost and transit time but also carbon emissions into routing decisions. Customers are not yet typically paying premium rates for lower-carbon routings, but they are increasingly disqualifying forwarders that cannot provide credible emissions reporting from RFP shortlists.

Supply Chain Finance

Small and medium-sized enterprise (SME) shippers are driving growing demand for supply chain finance services from forwarders, including cargo insurance, flexible payment terms, and trade finance options to address cash flow challenges. Several Top 25 forwarders have partnered with banks or fintech platforms to offer these services as bundled products, generating fee income beyond the core freight forwarding margin.

Vertical Industry Trends Shaping ITM Demand

Customer behavior at the vertical industry level is reshaping the composition of ITM demand. Armstrong & Associates segments the global 3PL market into eight major vertical categories: Automotive, Consumer Goods, Elements, Food and Groceries, Healthcare, Industrial, Retailing, and Technological. Globally, the three largest verticals are Technological, Retailing, and Automotive, which together represent approximately 60% of total global 3PL revenue. The Technological vertical alone includes nine subsegments, with the largest being Electronics and Electrical Equipment, Computers and Office Equipment, and Telecommunications.

From 2016 to 2026E, the Technological, Retailing, and Healthcare verticals posted the highest compound annual growth rates of 8.7%, 7.9%, and 7.7%, respectively. Each of these growth stories has direct implications for ITM demand:

- **Technological.** The explosive growth of cloud computing, AI infrastructure, and semiconductor demand has driven massive increases in high-value, temperature- and shock-sensitive logistics, making Technological one of the most 3PL-intensive verticals globally. ITM forwarders specializing in technology customers are benefiting disproportionately as data center buildouts and semiconductor supply chains generate sustained air freight demand on Asia-to-North America and Asia-to-Europe corridors.
- **Retailing.** The e-commerce surge that more than doubled global online retail penetration from approximately 9% in 2016 to over 20% by 2025 has reshaped fulfillment expectations around speed, returns handling, and last-mile delivery. Retailers are increasingly outsourcing complex omnichannel logistics to 3PL providers, generating cross-border ocean and air demand for cross-border e-commerce flows and U.S.-domestic fulfillment networks.
- **Healthcare.** Aging populations, the rise of biologics and specialty pharmaceuticals such as GLP-1 weight-loss drugs requiring cold-chain logistics, and the unprecedented vaccine distribution infrastructure built during COVID-19 have created sustained demand for specialized 3PL services with strict regulatory compliance. Cold-chain air freight in particular is growing meaningfully faster than the broader air cargo market.
- **Automotive.** The Automotive vertical's modest 1.9% CAGR over 2016–2026E reflects a decade disrupted by trade war tariffs, the global semiconductor shortage, and the uneven transition to electric vehicles. Reshoring of battery and component supply chains is generating new 3PL demand, including significant cross-border ITM flows between China, Korea, Japan, Mexico, and the United States. The forecast period signals a turning point, with automotive 3PL growth accelerating from approximately 3% in 2025 to 4.7% in 2026 as chip supply normalizes and EV logistics networks mature.

Service Intensity by Vertical

The intensity of 3PL service usage also varies meaningfully by vertical, which has direct implications for which forwarders win which customers. Per A&A's 2026 Convergence study covering 8,404 3PL customer relationships across all major verticals, Retailing customers account for the largest share of total 3PL services purchased (16.9%), followed by Technological (16.1%) and Food and Groceries (14.3%). Automotive and Technological customers in particular rely on tightly coordinated just-in-time and just-in-sequence logistics, making them service-intensive accounts where forwarders compete on capability depth rather than price alone. Industrial and Elements customers face similar complexity due to specialized handling and equipment requirements, while Healthcare's strict regulatory and cold-chain requirements have expanded its service intensity above the pre-pandemic average.

Strategic Relationships and Lead Logistics Provider Activity

Of the 8,404 3PL customer relationships covered in the Convergence 2026 study, 1,422 (16.9%) are classified as strategic, which includes supply chain management and/or Lead Logistics Provider (LLP) services. Technological, Retailing, and Industrial remain the top three verticals for strategic 3PL relationships, with Industrial showing the highest strategic share at 20.7% of customer relationships, closely followed by Healthcare at 20.3% and Technological at 19.7%. The total share of strategic relationships has trended downward modestly in recent years, from 18.6% in 2019 to 16.9% in 2025, but the verticals demanding deep, multi-service strategic engagement remain heavily concentrated in

the technology, healthcare, automotive, and industrial supply chains that drive the largest cross-border ITM flows.

Regional Vertical Patterns

Vertical-industry growth patterns vary significantly by region, with implications for forwarders allocating capital and capacity. Asia Pacific 3PL revenues grew from \$318 billion in 2016 to a projected \$517 billion in 2026E (5.0% CAGR), with the fastest-growing verticals being Healthcare and Food and Groceries (both at 6.7% CAGRs), reflecting the region's rapidly aging populations, expanding middle class, and the buildout of cold-chain infrastructure. Europe expanded from \$161 billion to a projected \$248 billion in 2026E (4.4% CAGR), with Technological logistics leading at a 7.5% CAGR driven by semiconductor and data center investment, while European Automotive was the slowest vertical at just 1.1% CAGR weighed down by the EV transition and Chinese EV competition. North America has been the fastest-growing major region, supported by the U.S. Technological surge and Mexico's USMCA-driven cross-border manufacturing growth.

7. Digitalization and IT Trends

Digitalization is the single most important determinant of freight forwarder competitive position in 2026. Approximately half of forwarders have automated documentation, compliance, and invoicing workflows; the other half remain reliant on manual processes that compete poorly on cost and customer experience. Among the top 10 global forwarders, technology investment levels are large enough to create a structural advantage that smaller competitors cannot match, accelerating the consolidation trend that has defined the industry for the past decade.

From Track-and-Trace to Integrated Platforms

Freight forwarder customer-facing platforms have transitioned from simple track-and-trace portals to comprehensive end-to-end integrated solutions. Platforms such as Kuehne + Nagel's myKN, Flexport, and Freightos' WebCargo now manage rate quoting, instant booking, documentation, and shipment tracking within a single unified interface, replacing the previously fragmented workflows that required multiple systems and frequent communication. Ocean carriers are also improving their APIs, which is expected to trigger a digital transformation in ocean freight forwarding similar to the API-enabled dynamic rates and e-bookings that already transformed air freight.

AI Use Cases in Freight Forwarding

Artificial intelligence is currently the most active area of investment in freight forwarding technology. Forwarders are deploying AI capabilities across several functions:

- Automated quoting and rate management — streamlining what was a labor-intensive, email-driven process.
- Predictive pricing and ETA engines — providing forwarders and shippers with increased confidence in costs and timing.
- Anomaly detection in shipment data — identifying misrouted cargo, unexpected delays, and billing discrepancies before they escalate.
- Agentic AI customer service — handling routine customer inquiries via voice bots and chat agents, allowing operations staff to focus on exceptions.
- Automated document processing — extracting and validating data from bills of lading, customs forms, and invoices with minimal human intervention.
- Smart route optimization — considering not just cost and transit time but also carbon emissions in routing decisions.

Several leading forwarders have made specific high-profile AI and platform investments:

- Kuehne + Nagel — myKN digital platform aggregates data from over 1,200 shipping lines, offers predictive ETAs, and AI-powered analytics. CEO Stefan Paul has publicly indicated significant efficiency gains expected over the next 18 months.
- DHL Global Forwarding — continues to develop advanced air freight management systems integrating tracking, customs compliance, and automated documentation, with emphasis on time-sensitive shipments.
- DSV — "ONE DSV" integrated digital freight forwarding ecosystem focused on cargo visibility and air-capacity optimization, marking the largest integration in the history of freight forwarding.

- Maersk — OneWireless container tracking platform supporting Maersk's integrated logistics strategy.
- NIPPON EXPRESS — AI-powered load prediction software responding to Japan's shrinking workforce and pursuing autonomous logistics processes.

Index-Linked Contracts and Digital Twins

Technology is enabling more flexible commercial arrangements between shippers and forwarders. Index-linked contracts that tie freight rates to market indices rather than fixed annual rates better reflect real-time market conditions and are being increasingly adopted by larger shippers. Digital twins (virtual replicas of supply chain networks) are also gaining traction, allowing companies to simulate disruption scenarios and optimize logistics network design before committing real-world resources.

TMS Deep-Dive: CargoWise (WiseTech) and Descartes

Two software platforms dominate the global freight forwarder transportation management system (TMS) market: CargoWise (operated by Australia-listed WiseTech Global) and Descartes Systems Group. Together they account for the substantial majority of forwarder TMS deployments at top-100 global forwarders.

CargoWise (WiseTech Global)

CargoWise is the dominant TMS for global freight forwarding, with a stated penetration of more than 17,000 logistics businesses across 180+ countries as of 2025, including the substantial majority of the world's largest 25 freight forwarders. The platform is designed as a single global database covering air, ocean, customs, and warehousing in a unified system, with the ability to handle multi-country regulatory and compliance requirements natively. WiseTech Global's strategic positioning emphasizes "the productivity of a global logistics ecosystem," selling not just software but the network effects of being on the same platform as every other major forwarder.

CargoWise's economic moat is significant. Switching from CargoWise is widely considered prohibitively expensive once a forwarder has more than a few dozen offices on the platform, due to the cost of re-implementing the regulatory, customs, and operational configurations that have been built up over years. WiseTech's product roadmap continues to expand into adjacent areas, including container shipping, road freight, and warehouse management, leveraging the same global database architecture.

Descartes Systems Group

Descartes (Toronto/Atlanta) competes with CargoWise across customs and trade compliance, ocean and air freight forwarding, and supply chain logistics technology. Descartes has historically been stronger than CargoWise in customs and trade compliance specifically, particularly in the United States where its e-commerce filings, e-Manifest, and trade content services are deeply embedded with U.S. customs brokers. Descartes has built a steady acquisition cadence (roughly 4–6 small-to-mid-sized tuck-in acquisitions per year) that has expanded its platform breadth.

Descartes' Global Logistics Network (GLN) connects approximately 240,000 trading partners and is one of the largest logistics-focused EDI/API networks in the world. The company's strategy contrasts with WiseTech's: rather than aiming to be the single global TMS for forwarders, Descartes positions itself as the connectivity, compliance, and data layer that sits across multiple TMS platforms.

Table 8. Side-by-side Comparison, CargoWise (WiseTech) vs. Descartes

Dimension	CargoWise (WiseTech)	Descartes
Primary positioning	Global TMS for forwarders	Connectivity + customs/compliance layer
Target customer	Mid-to-large global forwarders	Customs brokers, forwarders, BCOs
Geographic strength	Asia Pacific, Europe, US	North America (esp. customs)
Modal coverage	Air + ocean + customs + warehouse	Air + ocean + ground + customs
Network effects	Strong (single global database)	Strong (240,000+ trading partners on GLN)
Acquisition cadence	Selective, large strategic tucks	Steady 4–6 tuck-ins per year
AI investment	Significant; building “AI agents” into CargoWise	Significant; AI-driven trade content + routing
Pricing model	Per-transaction + module-based	Subscription + transaction

Point Applications and the Forwarder Tech Stack

Beyond core TMS, freight forwarders are increasingly adopting specialized point applications to automate specific workflows. The point-application landscape includes more than a dozen meaningful providers, ranging from direct document-automation specialists to adjacent vendors in visibility, rate intelligence, customer experience, and AI agent automation. Notable players include:

- **Raft (London).** AI-powered automation for freight forwarders, focused on document processing, customer onboarding, accounts payable, and shipment exception management. Sits on top of a forwarder’s existing TMS (typically CargoWise or Descartes), using machine learning to extract data from emails, attachments, and documents. Customers include Yusen Logistics, GEODIS, and other top-25 forwarders.
- **FreightmateAI (Seattle).** AI-powered platform that automates document processing and data entry for freight forwarders and customs brokers. Founded by former Amazon and Flexport executives; core product Docmate ingests shipping documents, validates data, and automates data entry into existing TMS systems.
- **Shipamax (London, UK).** AI data extraction platform built specifically for global freight forwarding companies, with strength in email parsing and attachment handling. Strong competitor for forwarders seeking a mature, proven document-processing solution.
- **Expedock.** AI-powered document extraction and data automation with particular emphasis on CargoWise integration; claims 99.97 percent accuracy on document extraction. Hybrid model combining AI software with managed services. Strong APAC and Australian traction.
- **Reform.** Y Combinator-backed, AI-powered workflow engine designed for freight forwarders and customs brokers, featuring a human-in-the-loop model. Particularly strong in European customs operations.
- **KlearStack.** Cross-industry document AI platform that supports freight forwarders alongside banking and insurance customers. Template-free processing and 50+ language support are key differentiators.
- **FreightMynd.** Custom-build approach, deploying bespoke document intelligence pipelines, autonomous quote management, and control tower automation directly inside customer environments. Notable case study: a 4PL control tower for Hellmann.
- **Wisor.** Predictive quoting and booking automation for freight forwarders, particularly strong in air freight where it integrates a network of carrier rate connections.
- **Logixboard (Seattle).** Digital customer-experience platform connecting to existing TMS systems and surfacing shipment data through branded dashboards. Adjacent to document processing rather than directly competitive.

- Cargoflip. Workflow management tool for shipping documentation; positioned more as a documentation workflow tool than a pure AI extraction engine. Targeted at smaller forwarders.
- Virtual Workforce AI. AI agent platform offering no-code email agents and “virtual employees” that handle repetitive operational tasks including data entry, document processing, and customer communication.
- Freightos / WebCargo (NASDAQ: CRGO). Publicly traded digital freight marketplace; provides real-time rate comparison and automated booking for air and ocean. Also publishes the Freightos Baltic Index (FBX) container rate benchmark.
- Xeneta (Norway). Ocean and air freight rate intelligence and benchmarking platform; provides contract vs. spot analysis, rate trend forecasting, and procurement analytics for shippers and forwarders.
- Beacon, project44, FourKites, Vector. Adjacent visibility, exception management, and document-automation providers used by both forwarders and BCOs.

The point-application layer is evolving rapidly, and several large incumbents, most notably WiseTech itself, are building or acquiring competing capabilities. Significant consolidation is likely through 2027, with the strongest standalone players acquired by either WiseTech, Descartes, or a top-10 forwarder.

8. Bonded Warehouses and Foreign Trade Zones

Foreign Trade Zones (FTZs) and Bonded Warehouses (BW) offer unique benefits for businesses engaged in international trade, particularly in terms of duty and tax management. During the global tariff uncertainty that has defined 2024, 2025, and the early months of 2026, many 3PLs and their clients have sought new ways to adapt to the changing tariff landscape, and FTZs and bonded warehouses have become increasingly popular solutions.

Foreign Trade Zones (FTZs)

An FTZ is a designated physical area located outside U.S. customs territory but near a U.S. Port of Entry, where goods can be stored, assembled, modified, repackaged, or relabeled without incurring duties. Tariffs are only collected once a product leaves the zone and enters U.S. commerce. As a result, many shippers and logistics providers view FTZs as a strategy to mitigate tariffs.

From A&A's analysis of U.S. Customs and Border Protection (CBP) data, there were 2,333 active Foreign Trade Zone locations and 1,878 active bonded warehouse locations across all 50 states as of January 2023. In 2023, FTZs handled approximately \$949 billion in merchandise, more than double the amount handled in 2005. Due to recent tariff pressures, interest in the FTZ program has surged. Establishing an FTZ can take up to a year, and Customs requires proof of adequate security and inventory control measures.

Historically, FTZs have offered several specific benefits:

- Goods can be imported duty-free.
- Duties are only collected when the product exits the zone and enters U.S. commerce, allowing companies to delay costly duty payments and improve cash flow.
- If a product is re-exported, no duties are incurred.
- Goods can remain in an FTZ indefinitely for manipulation, manufacturing, or repackaging before leaving the zone.

The End of the Inverted Tariff Benefit

Until recently, companies could benefit from what is known as an "inverted tariff," which allowed them to pay a lower duty rate on a finished product compared to the duty rates on its individual components. For example, an automaker operating in an FTZ could pay a lower duty on an assembled car rather than the higher duty rates that would apply to multiple raw materials. During the second Trump administration, the inverted-tariff rule was terminated. Companies are now required to pay a "locked-in" tariff rate on components as they enter an FTZ, regardless of any further processing that may occur within the zone. This change has removed an important operational advantage for manufacturers and assemblers, and has measurably diminished the cost-effectiveness of using FTZs for businesses focused on manufacturing and component-level imports.

Despite this, the financial and logistical advantages that remain (notably duty deferral, re-export benefits, and indefinite-storage flexibility) ensure FTZs continue to be an essential and valuable resource for importers, manufacturers, and distributors across many industries.

Bonded Warehouses (BWs)

In response to economic and tariff challenges, some businesses have turned to a different storage solution: Bonded Warehouses (BWs). While BWs are similar to FTZs in some respects (both are located near a port or airport and allow the storage of imported goods without immediate customs

duties), there are key differences. Unlike FTZs, BWs are located within U.S. customs territory and permit a more limited set of activities. Bonded warehouses allow imported goods to be stored until a buyer is found, with duty payment based on the applicable tariff rate when the item is retrieved from storage.

Any company involved in foreign trade can utilize a BW, but the costs can be high depending on the business model. Withdrawals incur fees on a per-event basis, while FTZs generally follow a running count reported weekly, which can be a more straightforward and cost-effective approach for high-volume operations.

Choosing Between an FTZ and a Bonded Warehouse

Several factors determine whether an FTZ or a bonded warehouse is the more suitable option for a given importer or 3PL. Storage time limits, the volume of goods being moved, the type of operations performed on the merchandise, and the direction of tariff rates all play important roles. As a general framework:

- Businesses with high-volume imports may prefer FTZs to capitalize on duty deferment and the running-count reporting structure.
- Businesses requiring more flexible, smaller-scale storage with intermittent withdrawals may prefer bonded warehouses.
- The nature of operations matters: manufacturing or assembly activity is generally better suited to FTZs (where allowed), while simple storage with a clear future buyer can be efficiently handled in a BW.
- Tariff direction matters. When tariff rates are expected to increase, holding goods in an FTZ or bonded warehouse can lock in lower duty exposure on goods that have already been imported.

Each business must carefully evaluate its specific needs and circumstances against current tariff rates and operational requirements to make the right choice.

Implications for ITM 3PLs

For ITM 3PLs and freight forwarders, FTZ and bonded warehouse capacity has shifted from a niche service offering to a meaningful customer-acquisition and customer-retention asset. Several Top 25 forwarders, including Expeditors, DHL Global Forwarding, DSV, CEVA, Kuehne + Nagel, GEODIS, and Maersk Logistics, operate significant U.S. bonded warehouse capacity, typically located near major U.S. gateway ports (LA/LB, NY/NJ, Chicago, Atlanta, Miami, Houston) and inland customs ports. Customers facing tariff uncertainty are actively seeking forwarders who can offer integrated solutions that combine ocean or air freight forwarding with FTZ or bonded-warehouse storage and customs brokerage, allowing the customer to defer duty exposure across the full inbound flow.

The forwarders best positioned for 2026 and 2027 are those that can offer a coordinated FTZ-or-bonded-plus-customs-plus-freight package, layered with the customs and trade compliance consulting capabilities described in Section 6. The end of the inverted-tariff benefit has reduced the upside for FTZ-based manufacturing programs, but it has not reduced the broader appeal of duty deferral and re-export flexibility, which remain core value propositions for importers managing tariff volatility.

9. ITM 3PL M&A Activity

Global 3PL M&A activity has been robust through 2024, 2025, and into 2026. After 18 transactions over \$100 million in 2024 (the highest count since 2015) and 23 transactions over \$100 million in 2025 (including six over \$1 billion), the M&A environment in 2026 has continued at a sustained pace despite still-elevated interest rates and modestly tighter bank lending conditions.

Strategic Rationale

Buy-side ITM M&A in 2024–2026 has been driven by three distinct strategic rationales:

- **Geographic coverage** — adding offices, network density, or country presence in markets where the acquirer is underpenetrated. Examples: Nippon Express's acquisition of Austria-based cargo-partner; CMA CGM's acquisition of Bolloré Logistics (rebranded as CEVA), which strengthened European and Asian coverage; DP World's acquisition of Famous Holdings Freight Forwarding from SingPost, adding Asia-Pacific freight-forwarding scale to DP World's port-anchored logistics platform.
- **Vertical expertise** — acquiring forwarder capabilities in specific industry verticals. Example: Yusen Logistics' acquisition of the Walden Group's healthcare subsidiaries (Movianto, Eurotranspharma, Transpharma International, Walden Digital), creating one of Europe's largest healthcare logistics platforms.
- **Value-added services** — adding warehousing, fulfillment, last-mile, customs brokerage, or other adjacent capabilities to a core forwarding base. Examples: Kuehne + Nagel's acquisition of a 51% stake in Tennessee-based marine drayage provider IMC Logistics, bringing U.S. inland container transport into its ocean-forwarding stack; AIT's organic and acquisitive expansion.

Table 9. Notable ITM 3PL Deals, 2024–2025

Date	Acquirer	Target	Value	Rationale
Jan 2024	Forward Air	Omni Logistics	\$2.1B	Combines expedited DTM with global air + ocean forwarding; closed after legal saga
Jan 2024	Nippon Express	cargo-partner	\$743M	Austria-based ITM 3PL; Japanese mega-forwarder strategy
Feb 2024	CMA CGM (CEVA)	Bolloré Logistics	\$5.3B	Europe + Asia forwarding network; CEVA into top-5 globally
JAN 2025	Kuehne + Nagel	IMC Logistics (51%)	\$565M	U.S. marine drayage provider; ocean forwarding + inland depth
Apr 2025	DSV	DB Schenker	\$15.9B	Largest 3PL deal in history; creates top-2 global forwarder
Jul 2025	DP World Logistics	Famous Holdings Freight Forwarding from SingPost (70%)	\$98M	Asia-Pacific freight forwarding scale; SingPost divested non-core business
Nov 2025	CEVA Logistics	Borusan Tedarik	\$383M	Leading Türkiye market position; finished-vehicle logistics, air, ocean, customs, ground transport
Dec 2025	Yusen Logistics	Walden Group (4 entities)	\$1.3B	European healthcare logistics platform (Movianto, Eurotranspharma, Transpharma International, Walden Digital)

Source: Armstrong & Associates 3PL M&A tracking database; published deal terms or A&A estimates.

Implications for Industry Structure

The DSV/Schenker combination is the most consequential structural shift in global freight forwarding since the formation of Deutsche Post DHL. The combined entity now ranks among the top 2 globally and has reduced the number of stand-alone Top-25 German freight forwarders from 5 to 4.

Customers concerned about the now-larger entity's market power are diversifying, creating opportunities for the next-tier forwarders (CEVA, GEODIS, Hellmann, AIT, SGL Group) to win share.

CEVA's integration of Bolloré Logistics into a single France-based forwarding platform (under CMA CGM ownership) has produced a similarly significant top-end shift, particularly across European and Asian lanes where Bolloré had a strong network. CMA CGM's ability to coordinate ocean carrier capacity (CMA CGM line) with forwarding (CEVA) and port terminal operations (CMA Terminals) creates a vertically integrated combination that few competitors can match.

In the next tier, M&A activity should remain elevated through 2027. Private equity sponsors holding mature platform investments will be motivated to pursue exits as interest rates ease, and strategic acquirers continue to view technology, vertical expertise, and geographic infill as the most economical paths to capability expansion.

10. Global ITM Market Outlook for 2026 and 2027

Armstrong & Associates' base-case forecast calls for global ITM gross revenue to grow 5.5% to \$347.1 billion in 2026E and 4.2% to \$361.6 billion in 2027E, reflecting a market in gradual recovery from the post-2022 correction with overlay risks from geopolitical, tariff, and capacity-management dynamics.

Base-Case Assumptions

- Gradual de-escalation of Middle East-related freight disruption beginning in late 2026, with Suez Canal traffic resuming materially by mid-2027.
- Stabilization of U.S. tariff policy at the current 10% Section 122 baseline, with sectoral overlays on automotive, semiconductors, and select consumer categories.
- Continued nearshoring momentum into Mexico (USMCA review notwithstanding) and ASEAN, with Vietnam, Indonesia, Thailand, and the Philippines remaining the primary China-plus-one destinations.
- Modest global GDP growth of approximately 3% per year through 2027, with manufacturing PMIs holding above the 50-point expansion threshold in most major economies.
- Ocean rate normalization as carrier capacity discipline gradually relaxes, partially offset by Cape of Good Hope routing on Asia-Europe and Asia-USEC lanes through at least the first half of 2027.
- Air freight demand growth in the mid-to-high single digits, driven by e-commerce, semiconductor production-driven freighter demand, and the continued shift of high-value goods to air for tariff-arbitrage and lead-time-arbitrage reasons.

Downside Risks

- Escalation in the Middle East that sustains Cape of Good Hope routing and Gulf airspace constraints through 2027, materially extending equipment cycle times and supporting elevated rates.
- A renewed U.S. tariff cycle (e.g., reinstatement of IEEPA-style tariffs by Congressional action, or sweeping new sectoral tariffs) that fragments customer supply chains further and creates renewed inventory frontloading volatility.
- A weaker-than-expected U.S. consumer that compresses Trans-Pacific demand, unwinding the recent recovery in U.S.-bound import volumes.
- A Chinese export demand correction if Chinese property-sector deleveraging continues to weigh on industrial production.
- Disorderly carrier capacity additions as recently ordered ocean tonnage delivers in 2026–2027, creating a renewed rate-deflation cycle that compresses ITM gross revenue (though potentially supporting net revenue if it triggers customer rebooking activity).

Upside Opportunities

- Faster Middle East de-escalation that allows ocean and air capacity to return to the market, improving network reliability and supporting customer confidence in cross-border ordering.
- A more consolidated post-merger competitive environment that allows forwarders to maintain pricing discipline as transactional volume returns.
- Continued AI-driven productivity gains that expand forwarder margins even at flat gross revenue levels, particularly relevant for the Top 10 forwarders making the largest technology investments.

- Acceleration of cross-border e-commerce within the new post-de-minimis framework, particularly to U.S.-based fulfillment networks operated by major forwarders.

Strategic implications for 3PL leadership

For ITM 3PL leadership teams, the key strategic priorities for 2026 and 2027 are (a) accelerating digitalization investment, particularly in AI-driven automation that expands operating margins, (b) building network density in nearshoring origin countries (Mexico, Vietnam, India, Indonesia, Thailand, the Philippines), (c) deepening customs and trade compliance consulting capabilities to monetize tariff complexity, and (d) maintaining commercial discipline on contract terms and pricing in a post-merger competitive environment that may support sustained pricing improvements. Forwarders that execute on all four dimensions are best positioned to capture above-market growth through 2027 even in a low-single-digit market growth environment.

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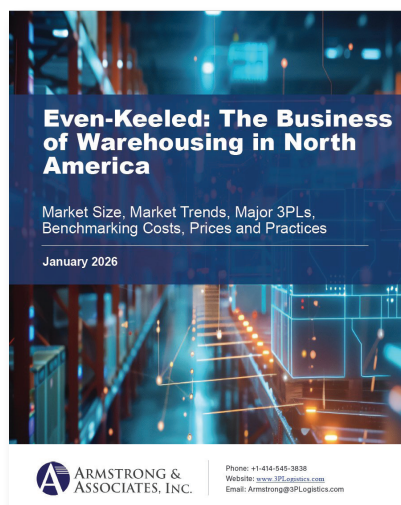
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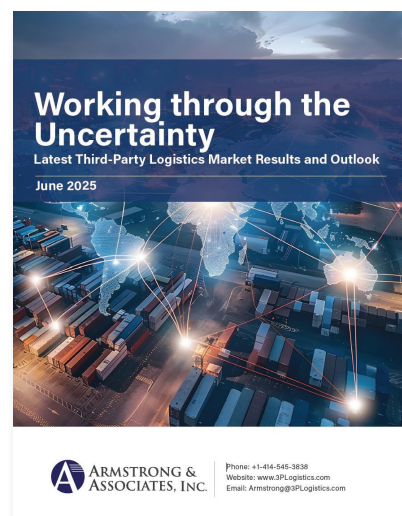
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