

# EVALUESERVE



Transport, Travel, Logistics  
& Infrastructure  
2023 mid-year analysis



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# Introduction

This report presents an assessment of the prevailing industry landscape for H1 of 2023, encompassing both the present and future state of the Transportation, Tourism and Logistics (T&L) sector and a comprehensive examination of trends and developments within this industry.

The COVID-19 pandemic left an undeniable mark on all the industries across the TTL/I vertical, bringing major disruptions for air travel, disturbances throughout the logistics value chain and slowdown in the tourism sector. However, as of May 2023, the WHO has officially announced the end of the COVID-19 pandemic, two months after China, one of the countries with the strictest policies around the pandemic, has lifted its travel restrictions. Apart from

the pandemic, other factors, such as the Russia-Ukraine conflict, the need to prepare for the ever more pressing climate crisis and the increasing need for adopting digitalization and technological changes have been pressuring the TTL/I industries into change.

Considering this, H1 2023 was a time of stabilization after the subsequent crises that have emerged in the past years. Markets and companies alike had to adapt to new norms, conditions, and customer demands, while striving to maintain profitability, to improve safety and to meet demands for resilience and sustainability in their operations.



# Transport









## Electric Vehicles – The Growing Influence of EVs Worldwide

EVs are steadily increasing their market share across the world, with 14% of all new cars sold last year being electric.

The global market share of Battery Electric Vehicles (BEVs) stood at 11% in May, maintaining an average of 10% throughout the year 2023. Projections indicate that global sales of light vehicles are anticipated to experience a year-on-year increase of 6.2%, reaching a total of 86.0 million units in 2023. This growth is paralleled by the expected surge in BEV sales, which are projected to reach approximately 11 million units in 2023, reflecting a significant rise from the 7.2 million units recorded in the preceding year, 2022. Moreover, it is anticipated that BEV sales will achieve a monthly benchmark of 1 million units during the latter half of 2023.

The 2023 sales forecasts are as follows: 27.5 million units in China, 15.0 million units in the United States, and 4.55 million units in Japan. National policies, incentives, and the potential return of high oil prices are expected to further fuel demand for electric vehicles.<sup>1</sup>

### Top Selling Plugin Electric Vehicles in the World (# of units sold as of May 2023)

1.	 Tesla Model y	90,489
2.	 BYD Qin Plus (BEV+PHEV)	42,895
3.	 Tesla Model 3	38,453
4.	 BYD SONG (BEV+PHEV)	38,056 (3,090 + 34,966)
5.	 BYD Yuan Plus / Atto3	32,608
6.	 BYD Dolphin	30,679
7.	 GAC Alon S	23,234
8.	 Wuling HongGuan Mini EV	20,348

Source: [Top Selling EVs](#)



The electric car market is highly competitive, with new players from China and emerging markets offering affordable models. Major car manufacturers are becoming more ambitious, announcing fully electric fleets, cheaper cars and increased investments in batteries and critical minerals. However, outside China, original equipment manufacturers must offer competitively priced electric cars to drive mass adoption. Though the number of electric car models has increased, it lags ICE models.<sup>2</sup>

Electrifications also extends to two-wheelers and commercial vehicles, especially in developing countries, where the trend is driven by incentives and lower lifecycle costs. Electric bus sales are rising, as governments are committed to reducing emissions from public transit.

In conclusion, the electric vehicle market is making remarkable strides, breaking records, and paving the way for a sustainable transportation future. The positive sales figures, supportive policies, and increasing investments are driving this transformative shift.

#### Notes:

- [Over 4 Million World Electric Car Sales in First Half of 2023 | NextBigFuture.com](#)
- [Global EV Outlook 2023 – Analysis – IEA](#)

# Travel



## Air Traffic Rebounds, Yet New Challenges Emerge: Navigating Strikes and Sustaining Growth

The global aviation industry witnessed a notable resurgence characterized by a substantial increase in air traffic during the H1 of 2023. However, as we look ahead to the coming months, the industry may face fresh challenges caused by strikes.

In May 2023, there was a significant increase in total traffic (measured in revenue passenger kilometers or RPKs) compared to May 2022, with a rise of 39.1%. Globally, the current traffic level has reached 96.1% of the levels observed in May 2019, before the pandemic.

Domestic traffic in May experienced a growth of 36.4% compared to the same period the previous year. The total domestic

traffic for May 2023 exceeded the levels seen in May 2019 by 5.3%. This marks the second consecutive month in which domestic traffic has surpassed the pre-pandemic levels.

International traffic saw a notable increase of 40.9% compared to May 2022, and all markets demonstrated strong growth, particularly carriers in the Asia-Pacific region. International RPKs reached 90.8% of the levels observed in May 2019, with Middle East and North American airlines exceeding pre-pandemic levels.

The overall industry load factor rose to 81.8%, with North American carriers leading at 86.3%.<sup>3</sup>

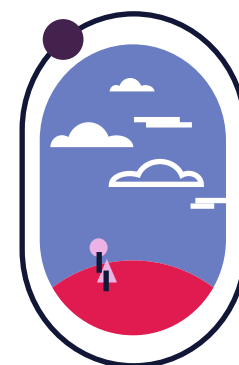
## Air Passenger Market in Detail



MARCH 2023 (% YEAR-ON-YEAR)	WORLD SHARE*	RPK	ASK	PLF (%-PT)**	PLF (LEVEL)***
<b>Total Market</b>	<b>100%</b>	<b>52.4%</b>	<b>41.2%</b>	<b>5.9%</b>	<b>80.7%</b>
Africa	2.1%	66.1%	51.0%	6.7%	73.9%
Asia Pacific	22.1%	158.9%	109.0%	15.3%	79.2%
Europe	30.7%	37.0%	25.9%	6.5%	80.5%
Latin America	6.4%	19.9%	19.8%	0.1%	81.2%
Middle East	9.8%	40.4%	28.3%	6.9%	79.4%
North America	28.9%	16.9%	15.9%	0.7%	83.7%

\* % of industry RPKs in 2022    \*\* Year-on-year change in load factor    \*\*\* Load Factor Level

Source: [Air passenger market](#)



### Notes:

3. [IATA - Strong Air Travel Growth Continues in May as Load Factor Rises to 2019 Levels](#)



## Europe's summer travel strikes:

Air travel in Europe faces potential disruption as air traffic controller strikes loom, potentially affecting one in three flights. The Union Syndicale Bruxelles (USB), representing EU civil servants, has issued a threat of industrial action for the summer season. Walkouts by Eurocontrol staff, responsible for managing Europe's airspace, could commence with as little as five days' notice. Although specific dates have not been announced, these strikes have the potential to impact over 10,000 flights per day, roughly equivalent to one-

third of all flights across the continent. The staff involved in the potential strikes are stationed at Eurocontrol's network management center, a crucial facility for ensuring efficient air traffic control operations throughout Europe. This center is responsible for validating flight plans of aircraft and processing tens of thousands of messages daily. The USB cites several reasons for their strike threat, including a 25% staff shortage, concerns over management behavior, and the imposition of a roster system.

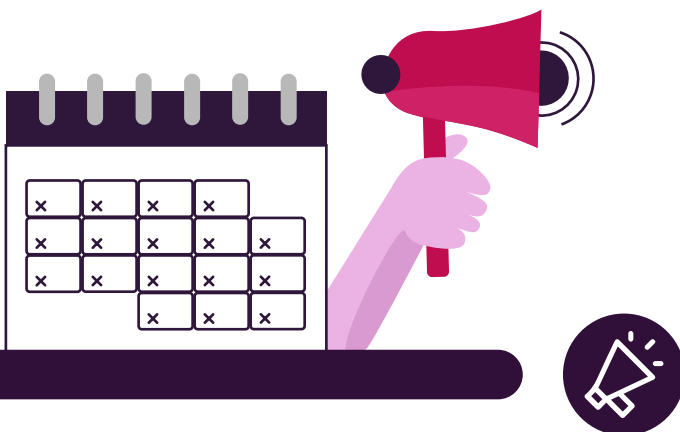
### England: Summer rail and airport strikes

After voting to accept a wage offer, security personnel at London Heathrow Airport have ended strikes. This summer, more than 2,000 workers were scheduled to go on strike for 31 days. The start of the school break and the UK's August bank holiday would have fallen during the strike action. The mayhem that occurred at the airport last year was feared to happen again by travelers. However, Heathrow has stated that it is looking forward to providing travelers with an "excellent summer" now that the strikes have been put off.



### Spain: Daily strikes from airline staff

The small airline operated by Iberia, Air Nostrum, has been the target of a "daily indefinite strike" by the Spanish Union of Airline Pilots since June 6. Twenty percent of the airline's flights had to be canceled due to the strike, which also caused delays with other services. Every weekday, there is a strike, and the talks have so far failed to make any progress.<sup>4</sup>



#### Notes:

4. [Europe's summer travel strikes: When, where and what disruption you can expect in August | Euronews](#)





## Travel Trends in H1 2023

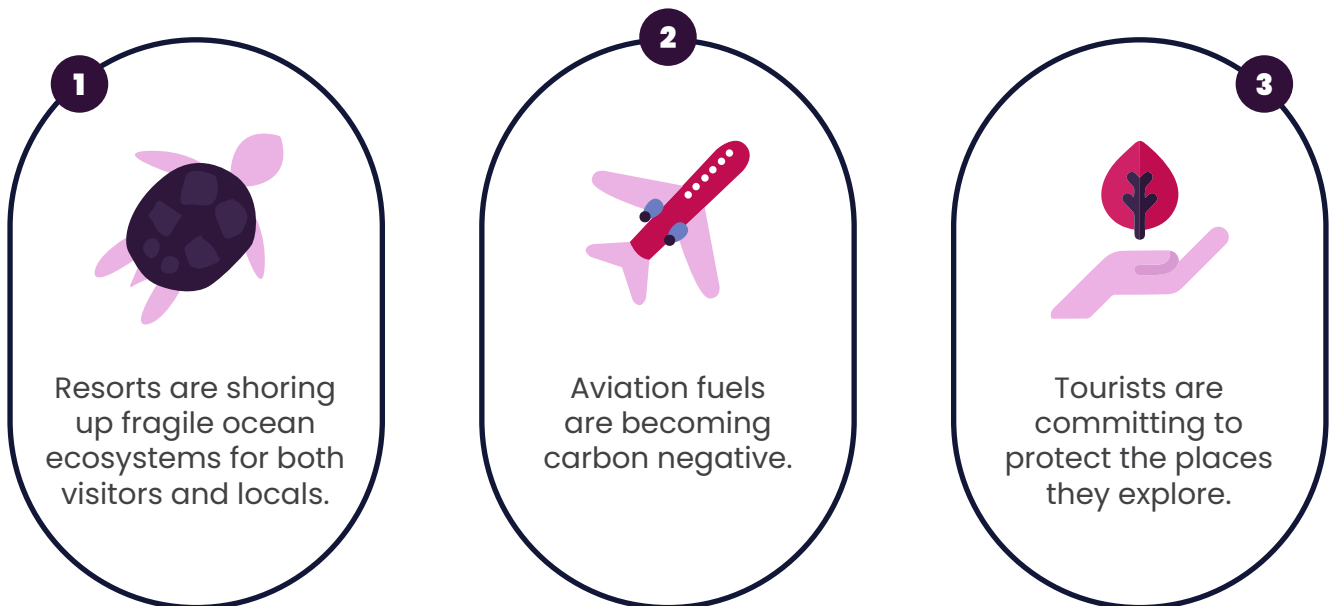
As the world finds its footing amidst the ongoing aftermath of the COVID-19 pandemic, the travel industry is embracing a robust resurgence, poised to unveil a dynamic new landscape for exploration and adventure. The travel industry stands at a crossroads of innovation and adaptation, poised to usher in an era that marries sustainability, flexibility, and discovery. The landscape of 2023 presents a canvas that beckons travelers and industry stakeholders alike to paint a compelling narrative of rejuvenation, exploration, and shared responsibility.

### Sustainable travel

The travel industry is moving to creative solutions that reduce carbon emissions and prioritize the environment, including cruise lines, five-star resorts, airlines, and the locations themselves.

But the tourist sector is making investments in people and the environment as well, including initiatives to save and restore ecosystems and promote the welfare of local communities, which has far-reaching positive socioeconomic effects.

### Sustainable travel innovations happening right now:



### How to remain a sustainable traveler in 2023:

- 1 Choose eco-friendly accommodations
- 2 Use public transportation
- 3 Pack light
- 4 Support local businesses
- 5 Reduce plastic use<sup>5,6</sup>

#### Notes:

5. [Sustainable Travel Innovations Shaping the Future of the Tourism Industry | Condé Nast Traveler \(cntraveler.com\)](#)
6. [Top 5 Ways to Remain A Sustainable Traveler in 2023 - zestt llc \(zesttorganics.com\)](#)

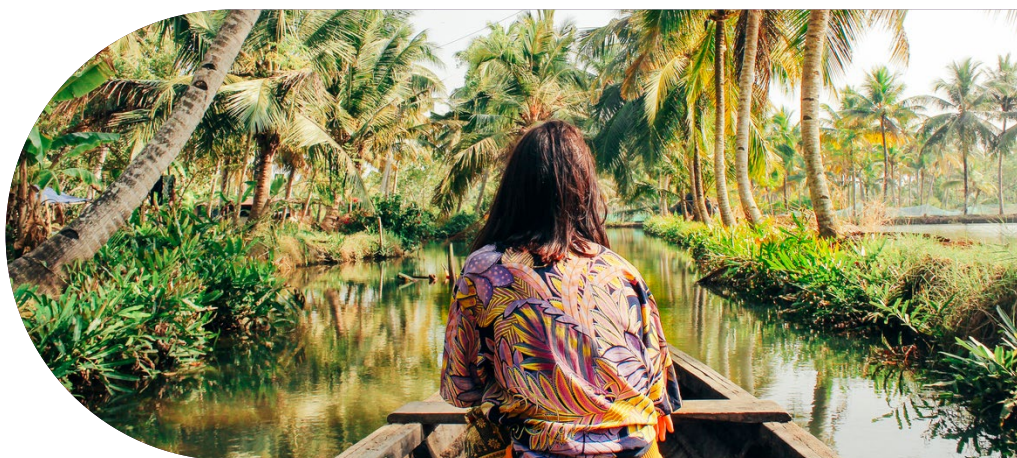
## Experiential travel

Immersion in the local culture, history, and customs of a destination is the main goal of experiential travel. This could be attending a cultural festival, taking a culinary class with a local chef, or studying traditional crafts from local artists.

In order to attract these visitors, hotels are moving beyond the standard features like spas and fitness centers and instead focusing on providing distinctive experiences that immerse visitors in the local way of life. To provide immersive cooking workshops and food excursions

that highlight the regional cuisine, several hotels are collaborating with local artisans and chefs.

Others plan excursions and guided trips to neighboring locations, or they provide cultural events like dance or music performances. By providing these experiential components, hotels can help make their visitors' stays memorable and fulfilling while also boosting the regional economy and encouraging eco-friendly travel methods.



Source: [The Rise Of Experiential Travel](#)

## Wellness travel

On vacation, more and more people are wanting to put their physical and mental health first. Wellness travel, which includes experiences like yoga retreats, spa treatments, and wellness-oriented dining, is on the increase in 2023. Additionally, hotels and resorts are beginning to offer wellness packages that include services like nutrition advice, personal training sessions, and meditation classes.

In addition, hotels are incorporating amenities like beautiful gardens, meditation areas, and soundproof rooms into their designs to encourage calmness and relaxation. Hotels may draw an increasing number of visitors who are looking to preserve their health and well-being while traveling and who are ready to pay a premium for the opportunity to do so by offering these wellness amenities and programs.



### Notes:

7. [Top Travel Trends in 2023: What You Need to Know - International Luxury Hotel Association \(theilha.com\)](#)



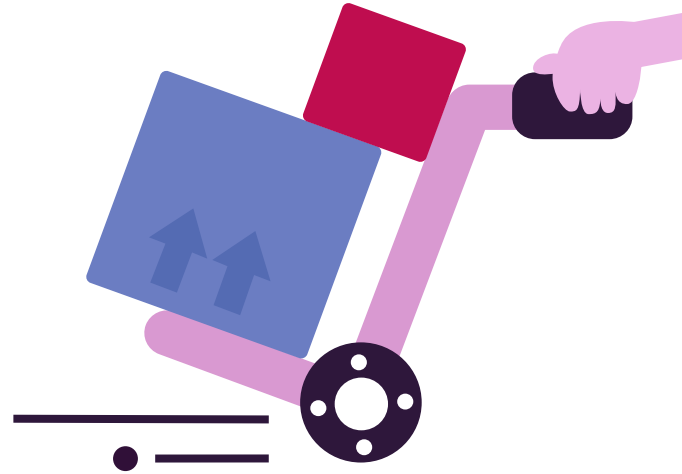
# Logistics



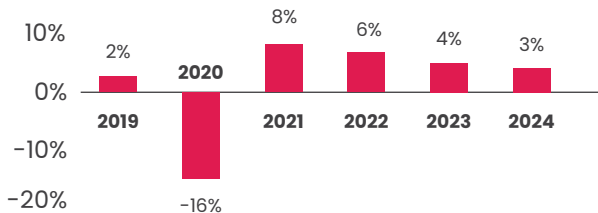
## Adapting to Disruption: Resilience and Realignment in the Transport and Logistics Sector

In terms of logistics, we see that pandemic extremes are gradually decreasing, but normalization is accompanied by aftershocks, and sanctions are rearranging trade channels.

The transport and logistics sector will rise by 4% in 2023 and 3% in 2024.<sup>8</sup>



## Global transport and logistics sector



Source: [Global transport and logistics](#)

Due to the ongoing economic concerns, supply chain demand has been sluggish for the first half of 2023 and will likely remain so for the rest of the year, even though other signs of recovery are there. While prices have decreased from their peak in 2022, they are still high across several categories.

The market began to shift strongly back in favor of shippers in 2022, and this tendency has mostly persisted through the first half of 2023. Shipper demand and carrier capacity have rebalanced across all transit modes.<sup>9</sup>

Transport activities will be impacted by excessive inventory cutbacks. Due to a shift away from consumer spending on products together with the economic recession, container trade suffered a setback in the last months of 2022 after soaring throughout the epidemic. Earlier piled-up supplies had to be accommodated by

shippers in the second quarter of 2023. Effectively, this has accelerated supply chain delay, particularly in consumer goods. Although it was also felt in Europe, US logistics felt it the most strongly.

Air cargo declines are a symptom of enduring distress in the freight business. Although logistics companies have maintained margins largely successfully, 2023 will be more difficult. After a few good years, the decline in global trade volumes will also start to influence companies that provide logistical services. In the first quarter of 2023, spot rates on commerce between China and Europe were up to 80% lower on an annual basis. The margins have held steady but given the drop in container shipping and air freight prices, it would seem reasonable to anticipate greater deterioration in the future.<sup>10</sup>

### Notes:

8. 10. [Global transport and logistics outlook: normalisation in a different world | IING](#)

9. [State of Logistics 2023: The great reset - Kearney](#)

# Infrastructure

Across the world, governments are investing in key infrastructure project to drive connectivity and to improve the existing networks.

## Major infrastructure projects around the world

### South America

The Chilean ministry of Works has announced their 2023 infrastructure investments pipeline. The overall package of works is worth \$13.3 billion and will last through 2026, covering 52 individual projects. The highway connecting Santiago to the coastal town of Los Vilos is the most expensive project, costing \$718 million. Another notable investment is the \$469 million Orbital Sur de Santiago bypass route, which is 24 kilometers long. Chile's concession system for investments is a pivotal element for infrastructure developments in the region.<sup>11,12</sup>

### North America

The Biden administration announced, at the start of this year, that it will award nearly \$1.2 billion from the new National Infrastructure Project Assistance (Mega) discretionary grant program for nine infrastructure projects across the country. The largest two project are the planned improvement for the Brent Spence Bridge, obtaining over \$250 million in funding, and the Hudson Yards Concrete Casing, with \$292 million in funding. The Brent Spence Bridge is a vital corridor across the Ohio river that transports over \$400 billion in freight movement each year. The action plan for it includes improvements to the existing bridge and the construction of a new one next to it.<sup>13,14</sup>



#### Notes:

- [Chilean transport infrastructure works planned | World Highways](#)
- [Chile Infrastructure Pipeline for 2023 - AX | LEGAL](#)
- [President Biden Announces First of its Kind Infrastructure Investment for Nine Nationally Significant Mega Projects | US Department of Transportation](#)
- [BIL-Funded Infrastructure Projects | US Department of Transportation](#)

## Europe

As of July 2023, the European Commission has chosen 107 transport infrastructure projects to receive more than €6 billion in EU grants from the Connecting Europe Facility. The main target is to create and upgrade railways, inland waterways, and maritime routes along the trans-European transport (TEN-T) network. In addition, the projects also aim to bolster the EU-Ukraine Solidarity Lanes, which were established to facilitate Ukraine's exports and imports. This funding round prioritizes major cross-border rail connections along the TEN-T core networks, notably the Brenner Base tunnel (linking Italy and Austria), Rail Baltica (connecting the three Baltic States and Poland with the rest of Europe), and the cross-border section between Germany and the Netherlands (Emmerich-Oberhausen). Maritime ports in Ireland, Greece, Spain, Latvia, Lithuania, the Netherlands and Poland will receive funding for investments in onshore power supply to reduce greenhouse gas emissions from moored vessels.

The EU aims to enhance safety and cooperation in rail transport across multiple member states by implementing the European Rail Traffic Management System on trains and railway lines. Additionally, various EU member states will adopt Intelligent Transport Systems and Services, including cooperative ITS on roads, to improve efficiency and safety. Furthermore, support will be provided to several Member States for European Air traffic management projects, with the goal of increasing air transport efficiency and establishing a unified Single European Sky.<sup>15, 16</sup>

## Asia

The Vietnam Ministry of Transport announced that it plans to add 16 new national rail lines with a total length of about 4,802km by 2030. In addition, they also plan to upgrade seven existing lines, whose total length amounts to 2,440km.

China's government has given the green light to a grant of around USD44 million to fund the upgrade of Cambodia's existing rail infrastructure.<sup>17</sup>



### Notes:

15. [EU invests €6.2 billion in transport infrastructure \(europa.eu\)](https://europa.eu)
16. [What does the European TEN-T revision mean for rail? | RailTech.com](https://www.railtech.com)
17. [Big Bets: Mega announcements and projects in the infrastructure sector - Southeast Asia Infrastructure](#)



## Major infrastructure projects in Romania

For Romania, HI brought the inauguration of two major infrastructure projects: the suspension bridge between Braila and Tulcea and the Braşov-Ghimbav International Airport.

The Danube bridge, that has already become a landmark for the south-eastern part of the country, was officially opened to the public on the on the 6th of July. It is the result of a 500 million euros investment and, currently, holds the titles of the largest bridge over the Danube and the third longest suspension bridge in Europe. This infrastructure investment lays at the cornerstone of Romania's strategic role at the eastern boarder of the European Union, facilitating the transport of goods and people, the economic development of the local industries, local tourism.<sup>18</sup>

The Braşov-Ghimbav International Airport was inaugurated on the 15th of June 2023, with a flight from Brasov to Stuttgart. The airport is connected with the city of Brasov through the A1 buss line. Currently, there are three additional planned infrastructure projects correlated to the airport, the construction of a 5 km of highway between Cristian and Codlea, the connection between DN 1, the A3 highway and the airport, and the establishment of a rail track between Brasov and the Ghimbav airport.<sup>19</sup>



Source: [Brăila Bridge](#)



### Notes:

18. [Braila Bridge opens \(economediamedia.ro\)](#)

19. [Braşov – Ghimbav Airport opens \(economediamedia.ro\)](#)

# Conclusions

In the first half of 2023, the Transportation, Tourism, Logistics, and Infrastructure (TTL/I) sector has witnessed a remarkable journey of recovery and transformation. Emerging from the shadows of the pandemic, the industry has embraced sustainability, experiential travel, and resilience as guiding principles. The rise of electric vehicles and the revitalization of travel experiences reflect a changing landscape,

while challenges like strikes and supply chain fluctuations remind us of the need for adaptability. As infrastructure investments lay the groundwork for enhanced connectivity, the TTL/I sector stands poised at the intersection of innovation and progress, shaping a dynamic future that promises to redefine how we move, explore, and connect on a global scale.

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# The Team



**Name:** Razvan Stanciu

**Designation:** Senior Analyst,  
Corporate and Professional Services

[razvan.stanciu@evalueserve.com](mailto:razvan.stanciu@evalueserve.com)



**Name:** Sanziana Ghelase

**Designation:** Analyst, Corporate and  
Professional Services

[sanziana.ghelase@evalueserve.com](mailto:sanziana.ghelase@evalueserve.com)



**Name:** Lorina Dragota

**Designation:** Analyst, Corporate and  
Professional Services

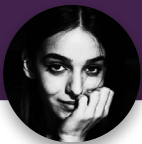
[lorina.dragota@evalueserve.com](mailto:lorina.dragota@evalueserve.com)



**Name:** Gabriela Anca Dogaru

**Designation:** Analyst, Corporate and  
Professional Services

[anca.dogaru@evalueserve.com](mailto:anca.dogaru@evalueserve.com)



**Name:** Abigail Pop

**Designation:** Junior Analyst,  
Corporate and Professional Services

[abigail.pop@evalueserve.com](mailto:abigail.pop@evalueserve.com)



**Name:** Tudor Baba

**Designation:** Analyst, Corporate and  
Professional Services

[tudor.baba@evalueserve.com](mailto:tudor.baba@evalueserve.com)

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