

Pallet networks thriving despite UK economic uncertainty



The Association of
Pallet Networks

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'Finally post-COVID': the Association of Pallet Networks YTD benchmarking results show the pallet network market returning to pre-pandemic high service levels, strong growth and more predictable volumes

The Q1-Q3 2022 benchmarking figures for the pallet network sector show less volatility, more stable growth and better operational performance, as the sector finally shrugs off the encumbrances and market shifts which arose from the pandemic.

Key points include:

- *Total pallet volumes in first three quarters of 2022 10% above pre-pandemic volumes*
- *Economy services have risen 22% since 2019*
- *Full pallets account for almost half total volume*
- *13% growth in quarter pallets*
- *B2C deliveries increased by 33% since 2019*
- *Network service levels return to 96%*

APN Chairman Paul Sanders says the 2022 figures show that network sector has finally entered a truly 'post-COVID' phase, in which the pandemic is no longer impacting volumes or service levels.

He says the figures demonstrate the huge resilience of the pallet network sector, which has thrived despite relentless recent challenge. "The pallet network sector has gone from strength to strength during the last few years, despite the economic and operational challenges from Brexit, labour shortages and the general economic climate," says Paul. "The past two years have been influenced massively by the Covid-19 pandemic, with volumes skewed by unusual operational activity; however, networks are now seeing volumes returning to more predictable levels."

Indeed, to the end of Q3 2022, **total pallet volumes** were lower than the same period in 2021 but were almost **10%** greater than pre-pandemic levels. "We are seeing an increase in customers using **Economy** services, which have risen by almost **22%** since 2019," says Paul, "with next-day services growing by 4.4%."

Almost **22.5 million** pallets were delivered in the first nine months of 2022, almost half of which were full pallets. "The quarter pallet market is very buoyant," says Paul. "Members saw volumes increase during Covid as home deliveries rocketed, but even without this exceptional volume, we're still seeing growth of more than **13%** in this area."

Service performance is also returning to the high levels typical of the pre-pandemic era, now that COVID-related service restrictions have gone. Full, on-time delivery rates have risen above **96%**.

During the pandemic, operators saw demand for **home deliveries** increase and this shift has been sustained. Volumes delivered to residential addresses during 2022 have increased by **more than a third** compared to the equivalent period in 2019.

Future focus

The APN and its network members intend to focus on campaigns around safety, sustainability and careers in order to evolve and protect the sector's service offering.

Safety for staff, customers, and the general public has been a continuing theme for several years. The networks have lowered their incident rate to **0.46 accidents per 100,000 pallets** delivered in 2022. This is the fifth reduction in five years, and results from the ongoing sharing of health and safety best practice by APN members.

"During 2022 we have been developing our suite of **sustainability** KPIs, which we are now building into our network benchmarking. Members are engaging closely with the concepts of sustainability and seeing the economic and social value of the initiatives being developed," says Paul.

"The collaborative nature of the pallet network model is sustainable, eliminates mileage and opens opportunities for other logistics efficiencies," he says. "We believe we can help our members to evolve ever more environmentally-friendly solutions for the logistics and final mile sectors."

Recruitment and retention must remain a key focus for all of logistics.

"The pallet network sector is a thriving and evolving market, and there are myriad opportunities for employment," he says. "We also need to promote the benefits and opportunities inherent in logistics careers, so that our sector can compete for fresh talent.

"We have created a series of case studies, looking at "**A Day in the Life of...**" various roles within the sector, focusing on real individuals. These are available on the APN website and via social media feeds. We hope they will broaden the public's understanding of the varied and often unseen work our member teams carry out," says Paul.

ENDS

Notes to Editors

The **Association of Pallet Networks** has a membership of eight pallet networks in the UK: Fortec, Pall-Ex, Pallet-Track, Palletforce, Palletline, Palletways, THE Pallet Network and United Pallet Network. These in turn represent 800 hauliers, more than 24,000 vehicles and over 13 million sq ft of warehouse space collectively.

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