



## U.S. Bank Freight Payment Index™: Strong Gains in Q4 Ahead of Anticipated Tariff Increases in Early 2019

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MINNEAPOLIS--(BUSINESS WIRE)--Jan. 23, 2019-- The [U.S. Bank Freight Payment Index™](#) – a tool designed to assess the current state of the freight industry in the United States – showed signs of a spending rebound compared to the third quarter in 2018, with indications that growth will continue, but at a slower rate in 2019.

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Solid holiday sales, increases in wages and employment, and better-than-expected container volumes into West Coast ports contributed to the rebound, according to Bob Costello, a freight industry analyst and chief economist for the American Trucking Associations. Costello found that higher shipping and spending volumes into West Coast ports were likely a result of companies ordering their imports from China earlier than usual, as tariffs on many goods were expected to rise from 10 percent to 25 percent in early 2019. Many

Overall freight shipment and spend rate changes from Q3 vs. Q4 2018 and Q4 2018 vs. Q4 2017. (Graphic: U.S. Bank)

shippers had already imported products in the last quarter of 2018 to avoid paying the higher rate in the new year.

“The nice rebound from the slower third quarter shows that the current economic growth cycle is not at risk of ending soon,” said Costello. “However, the indexes still indicate that trucking, as well as the broader economy, should expect decelerating growth rates in the quarters ahead due to tariff tax increases, driver shortages and possible interest rate hikes.”

The Northeast saw an increase in shipments and spending in the last quarter of 2018, which can be attributed to holiday sales volumes in this population dense region. The Midwest, Southeast and Southwest regions had declines in shipments due to a variety of factors such as lower than expected construction activities and predictions of moderate auto production in 2019. Specific regional data can be found in the [index](#).

“Freight companies have dealt with a variety of industry challenges throughout the year, and the index reinforces what we’ve heard from customers and what uncertainties we can see in 2019. At U.S. Bank, we have the benefit of working with customers from industries of all types, and can put that knowledge and insight to work for our transportation customers. Now is the time to think ahead and position businesses in a way that makes the uncertainty less of a factor on the end results,” said Bobby Holland, U.S. Bank vice president and director of Freight Data Solutions.

U.S. Bank pioneered electronic freight payment more than 20 years ago. The U.S. Bank Freight Payment Index measures quantitative changes in freight shipments and spend activity based on data from transactions processed through [U.S. Bank Freight Payment](#). The business processed more than \$27.6 billion in 2018 for some of the world’s largest corporations and government agencies.

### About U.S. Bancorp

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