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Urban Freight Transport Market Forecasts to 2034 – Global Analysis By Delivery Type (B2B Deliveries, B2C Deliveries, C2C Deliveries, and Reverse Logistics), Transport Mode (Vans, Trucks, Cargo Bikes, Rail-Based Urban Freight, and Waterway Freight), Cargo Type, Service Type, End User, and By Geography

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Abstracts

According to Stratistics MRC, the Global Urban Freight Transport Market is accounted for $148.3 billion in 2026 and is expected to reach $336.8 billion by 2034 growing at a CAGR of 10.8% during the forecast period. Urban freight transport encompasses the movement of goods within metropolitan areas, including last-mile delivery from distribution centers to final destinations such as homes, businesses, and retail outlets. This market is critical to modern urban economies, supporting e-commerce, retail replenishment, food delivery, and industrial logistics. With rapid urbanization and changing consumer expectations for faster delivery times, urban freight systems are evolving toward more efficient, sustainable, and technologically integrated solutions, including electric vehicles, cargo bikes, and smart route optimization platforms.

Market Dynamics:

Driver:

Rapid growth of e-commerce and on-demand delivery

This factor is significantly driving the urban freight transport market as consumers increasingly expect same-day or next-day delivery of online purchases. The proliferation

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of smartphones and digital payment systems has made ordering goods from home instantaneous, pushing logistics providers to expand urban delivery fleets dramatically. Traditional brick-and-mortar retail decline has been offset by a surge in direct-to-consumer shipments, each requiring individual urban trips. E-commerce giants and local retailers alike compete on delivery speed, forcing continuous investment in last-mile infrastructure. This trend has fundamentally reshaped urban freight demand, increasing the number of delivery vehicles on city streets and creating sustained market growth.

Restraint:

Stringent urban emission regulations and low-emission zones

This factor significantly restrains market growth by restricting access for conventional diesel-powered delivery vehicles in many cities worldwide. Local authorities in London, Paris, Berlin, and numerous other metropolitan centers have implemented ultra-low emission zones that impose daily charges or outright bans on older, higher-polluting trucks and vans. Fleet operators face substantial capital expenditure to transition to electric or hydrogen-powered alternatives, which remain more expensive and face range limitations. Compliance costs, including retrofitting existing vehicles or purchasing new ones, squeeze profit margins. Additionally, charging infrastructure gaps in dense urban areas create operational challenges, slowing the pace of fleet modernization and market expansion.

Opportunity:

Adoption of electric cargo bikes for last-mile logistics

This factor presents transformative opportunities for urban freight transport by offering a low-emission, maneuverable alternative to traditional delivery vans. Electric cargo bikes can navigate narrow streets, bike lanes, and pedestrian zones inaccessible to larger vehicles, reducing delivery times in congested urban cores. Their operating costs are substantially lower than motorized vehicles, with minimal energy and maintenance requirements. Major logistics companies and postal services are establishing micro-hubs at city edges where parcels are transferred from trucks to cargo bikes for final delivery. As cities expand cycling infrastructure and introduce delivery restrictions on larger vehicles, cargo bikes are positioned to capture significant market share in dense urban logistics.

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Threat:

Congestion and unreliable delivery windows

This factor poses a significant threat to urban freight transport efficiency and profitability as traffic congestion continues to worsen in major metropolitan areas. Delivery vehicles spend increasing hours idling in traffic, reducing the number of stops per shift and driving up fuel and labor costs per parcel. Unpredictable travel times make it difficult to offer reliable delivery windows to consumers, damaging customer satisfaction and brand reputation. Peak-hour restrictions and loading zone shortages exacerbate the problem, forcing drivers to circle for parking or make illegal stops that risk fines. Without significant infrastructure investment and intelligent traffic management systems, congestion threatens to erode the economic viability of urban freight operations.

Covid-19 Impact:

The COVID-19 pandemic fundamentally reshaped urban freight transport as lockdowns and social distancing measures caused an unprecedented surge in e-commerce and home delivery demand. With physical stores closed and consumers confined to their homes, delivery volumes for groceries, pharmaceuticals, and general merchandise skyrocketed overnight. Urban freight operators faced immense pressure to scale capacity quickly while implementing contactless delivery protocols and protecting driver health. The crisis accelerated adoption of micro-fulfillment centers, autonomous delivery robots, and curbside pickup solutions. Even post-pandemic, elevated online shopping habits persist, permanently expanding urban freight volumes and cementing last-mile delivery as the most critical segment of the logistics industry.

The Vans segment is expected to be the largest during the forecast period

The Vans segment is expected to account for the largest market share during the forecast period, driven by their optimal balance of cargo capacity, maneuverability, and operational cost for urban last-mile delivery. Light commercial vans can navigate narrow city streets, access underground parking garages, and park in standard on-street spaces where larger trucks cannot fit. Their enclosed cargo areas protect goods from weather and theft, while payload capacities of 500 to 1,500 kilograms handle the vast majority of parcel and food deliveries. Fleet operators favor vans for their relatively lower purchase price compared to medium-duty trucks and their availability in electric configurations from multiple manufacturers, securing their dominant market position.

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The E-commerce Parcels segment is expected to have the highest CAGR during the forecast period

Over the forecast period, the E-commerce Parcels segment is predicted to witness the highest growth rate, fueled by the continuous expansion of online retail penetration across both developed and emerging economies. Consumers increasingly purchase everything from clothing and electronics to furniture and groceries online, generating billions of individual parcels requiring urban delivery annually. Subscription services, recurring household goods deliveries, and direct-to-consumer brand models are further fragmenting retail into smaller, more frequent shipments. Logistics providers are investing heavily in parcel sortation facilities, route optimization software, and delivery density to manage this volume profitably. As smartphone adoption grows in developing regions, e-commerce parcel volumes will continue outpacing other cargo types by a substantial margin.

Region with largest share:

During the forecast period, the North America region is expected to hold the largest market share, supported by high e-commerce penetration, well-developed logistics infrastructure, and sustained consumer demand for expedited delivery services. The United States alone accounts for a substantial portion of global urban freight activity, with major metropolitan areas including New York, Los Angeles, and Chicago generating millions of daily deliveries. Significant investment by logistics giants in last-mile distribution centers, electric delivery fleets, and route optimization technologies maintains regional leadership. Additionally, the fragmented nature of North American urban development, with extensive suburban sprawl requiring vehicle-based delivery, ensures continued dominance of van-based urban freight transport throughout the forecast period.

Region with highest CAGR:

Over the forecast period, the Asia Pacific region is anticipated to exhibit the highest CAGR, led by rapid urbanization, explosive e-commerce growth, and government investments in smart city logistics infrastructure. China, India, and Southeast Asian nations are witnessing unprecedented expansion of online retail platforms, with hundreds of millions of new digital consumers entering the market annually. Megacities including Shanghai, Tokyo, Mumbai, and Jakarta face severe congestion that is driving rapid adoption of alternative urban freight solutions such as cargo bikes, rail-based freight, and nighttime delivery programs. Supportive regulatory frameworks encouraging

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electric vehicle adoption and low-emission zones, combined with declining battery costs, position Asia Pacific as the most dynamic region for urban freight market expansion.

Key players in the market

Some of the key players in Urban Freight Transport Market include DHL Group, FedEx Corporation, United Parcel Service Inc., DB Schenker, Kuehne + Nagel International AG, GEODIS, CEVA Logistics, DSV A/S, XPO Inc., Ryder System Inc., J.B. Hunt Transport Services Inc., Nippon Express Holdings Inc., C.H. Robinson Worldwide Inc., Yusen Logistics Co. Ltd., Uber Technologies Inc., Amazon.com Inc., JD Logistics Inc., Delhivery Limited, SF Express Co. Ltd., and PostNL N.V.

Key Developments:

In May 2026, Amazon formally launched Amazon Supply Chain Services (ASCS), completely opening its massive domestic freight, distribution, fulfillment, and parcel delivery network to all businesses, including non-Amazon sellers, positioning its urban logistics infrastructure to compete directly with traditional third-party logistics (3PL) giants.

In April 2026, DHL Freight introduced an optimized European Road Freight Product Portfolio, restructuring its services into three core pillars—DHL Road Freight Standard, Priority, and Direct—to streamline cross-border city connections and improve operational transparency across its urban and regional delivery network.

In April 2026, Federal Express Corporation partnered with the Indian Institute of Technology Madras (IIT Madras) to successfully complete India's first urban drone logistics trials in Bengaluru, proving that an aerial route could slash traditional road transport times across congested urban tech corridors from over an hour down to 21 minutes.

Delivery Types Covered:

- B2B Deliveries
- B2C Deliveries
- C2C Deliveries

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- Reverse Logistics

Transport Modes Covered:

- Vans
- Trucks
- Cargo Bikes
- Rail-Based Urban Freight
- Waterway Freight

Cargo Types Covered:

- Consumer Goods
- Food and Beverages
- Pharmaceuticals
- Industrial Goods
- E-commerce Parcels

Service Types Covered:

- Delivery Services
- Consolidation Services
- Warehouse-to-Store Distribution
- Same-Day Delivery

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- Scheduled Delivery

End Users Covered:

- Retail
- E-commerce
- Manufacturing
- Healthcare
- Hospitality

Regions Covered:

- North America
  - United States
  - Canada
  - Mexico
- Europe
  - United Kingdom
  - Germany
  - France
  - Italy
  - Spain

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- Netherlands
- Belgium
- Sweden
- Switzerland
- Poland
- Rest of Europe

Asia Pacific

- China
- Japan
- India
- South Korea
- Australia
- Indonesia
- Thailand
- Malaysia
- Singapore
- Vietnam
- Rest of Asia Pacific

South America

- Brazil

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- Argentina
- Colombia
- Chile
- Peru
- Rest of South America

Rest of the World (RoW)

- Middle East
  - Saudi Arabia
  - United Arab Emirates
  - Qatar
  - Israel
  - Rest of Middle East
- Africa
  - South Africa
  - Egypt
  - Morocco
  - Rest of Africa

What our report offers:

- Market share assessments for the regional and country-level segments
- Strategic recommendations for the new entrants

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- Covers Market data for the years 2023, 2024, 2025, 2026, 2027, 2028, 2030, 2032 and 2034
- Market Trends (Drivers, Constraints, Opportunities, Threats, Challenges, Investment Opportunities, and recommendations)
- Strategic recommendations in key business segments based on the market estimations
- Competitive landscaping mapping the key common trends
- Company profiling with detailed strategies, financials, and recent developments
- Supply chain trends mapping the latest technological advancements

Free Customization Offerings:

All the customers of this report will be entitled to receive one of the following free customization options:

Company Profiling

Comprehensive profiling of additional market players (up to 3)

SWOT Analysis of key players (up to 3)

Regional Segmentation

Market estimations, Forecasts and CAGR of any prominent country as per the client's interest (Note: Depends on feasibility check)

Competitive Benchmarking

Benchmarking of key players based on product portfolio, geographical presence, and strategic alliances

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Note: Tables for North America, Europe, APAC, South America, and Rest of the World (RoW) Regions are also represented in the same manner as above.

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