

'I paid ridiculous charges, my cargo still got rolled and the carrier wanted more !!'

Short-term freight rates from China to North Europe have breached the \$20,000 per 40ft mark, while transpacific carriers are quoting rates of up to \$25,000 to the US west coast. And there was one report of \$32,000 from Shanghai to Los Angeles being quoted this week, *The Loadstar* has seen several quotes from the top five carriers of \$21,000 per 40ft for July shipments from Chinese ports to Felixstowe and Southampton, with the average at around \$18,000.

Although these massively elevated rates include a premium fee, to guarantee equipment and space, some shippers complain that their cargo is still getting rolled. « *We paid their ridiculous charges and thought that was the end of it* » said one forwarder, « *but then we found out from our local agent that the boxes were still on the quay and the line wanted more to ship the cargo* ». « *Apparently, there was another FAK hike from the next vessel which they insisted on charging, which means their so-called premium fees are worth nothing* », he added. And as the peak season approaches, it appears the situation is about to get even worse for shippers to Europe and the US. They will need to brace themselves for another round of FAK and GRI rate hikes on 1 July, with yet another hike likely from the middle of the month and a PSS [peak season surcharge] of **several thousand dollars per 40ft**. One UK-based NVOCC told *The Loadstar* this week that a “curt email” from his carrier advising of a new increase was “the final straw”. He said: « *We have supported them through thick and thin, even when their standing was pretty low in the industry, and this is how we get repaid* ».

On the transpacific, shippers are suffering similar problems. Jon Monroe, of **Jon Monroe Consulting**, said « *carriers had the ability to « manage rates » by rolling cargo* », suggesting that the US Shipping Act needed to be updated to include a cap on rate increases and a both-parties damages clause for non-fulfilment of contract. Meanwhile, Craig Grossgart, SVP of Global Ocean at **Seko Logistics**, confirmed to *The Loadstar* that « *one shipper had been quoted \$32,000 this week for the shipment of a 40ft container from Shanghai to Los Angeles. To be honest, I think it was a polite way of the carrier saying to the customer it doesn't want to take its business* » said Mr Grossgart. Nevertheless, he said « *a figure of \$25,000 per 40ft had been quoted to a shipper that needed to move 300 containers from Shanghai and Yantian to Los Angeles next month – “and that is a serious offer* ». « *With the addition of premium fees, plus a raft of other charges, the gap between the spot market indices and the actual rate being paid is widening by the week* ».

For example, the North Europe component of today's **Freightos Baltic Index** fbx.freightos.com stood at \$11,006 per 40ft, while the **FBX** reading for the US west coast was \$6,588.

