



General Rate Increase

Ocean carriers are set to continue implementing rate increases after the rise on 15th October , with a review of the rates expected on 15th November which may result in a GRI for December 1st, as well as another GRI likely on January 1st. These increases seem to be affecting all major trade lanes, particularly Asia to Europe and Europe to USA. In order for shipping lines to obtain their desired rate levels, they continue to increase demand in the market by removing vessels from various loops, therefore limiting the space on board the vessels remaining on the service. Just in the last week alone, 3 carriers have removed vessels from various trade lanes to help drive their prices up. Some shippers that are moving large volumes of containers are even experiencing the need to use multiple carriers to ensure all cargo gets loaded.

Popular opinion seems to be for these increases to continue well into the New Year with little relief expected until the rates stabilise at a point where the carriers are satisfied. These GRI's coupled with increasing surcharges, is making sea freight more expensive in general at the present time, however CAF and BAF appear to be increasing at a slower rate than earlier this year. The increases have a tendency to fluctuate depending on the trade lane, but the GRI could range from between USD150 to USD500 per TEU. It's possible that had some increases been introduced earlier this year, the current increases wouldn't be as aggressive, as what we are currently experiencing. With a lot of the carriers waiting for other carriers to announce their GRI's before announcing their own, this could create an interesting upcoming few months.

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