

## Global Shippers' Forum welcomes Indian initiative for all-inclusive freight rates

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The Global Shippers' Forum (GSF), which represents cargo owners' interests around the world, has welcomed the Indian government's initiative for a policy requiring the quoting of all-inclusive freight rates for the maritime transportation sector, and so curtail the practice of applying multiple additional surcharges quoted by shipping lines and port terminals.

The Indian government's initiative, brought forward by its merchant shipping division, will require freight rates to be quoted to Indian shippers that are inclusive of all costs and surcharges. This will help eliminate the many hidden charges that increase logistics costs of Indian imports and exports.

GSF Secretary General, James Hookham, commented:

*"This decision will bring great benefit to Indian exporters and importers and GSF will support the Indian government as it develops its new legislation. Furthermore, through our global network of shipper associations we will promote the concept widely among other maritime states that depend on exports and imports for economic growth. Surcharges are the scourge of shippers' budgets and 2020 has seen a dramatic increase in their scope and magnitude around the world"*

For years, shippers in many developing countries have been bringing to the attention of their governments, the fact that total surcharges often surpass the quoted freight rates. They point out that surcharges have effectively become a hidden rate increase that is avoiding the normal processes of commercial negotiation and agreement. It is mostly developing nations, and their SME sector of exporters and importers, that are most impacted by this unbundling of freight costs.

Mr. Hookham noted that most developed countries, including the United States and the European Union, have strong competition rules enforced by the Federal Maritime Commission and the European Commission. However, many African and Asian states lack equivalent mechanisms to monitor and, if necessary, regulate anti-competitive practices. In 2016, the government of Sri Lanka initiated a new legal framework to ensure fair freight rates are quoted to customers. These statutory provisions not only bring transparency and market forces into play, but also follow the best practices established by the International Chamber of Commerce (ICC) under INCOTERMS.

(continued ...)

## GLOBAL SHIPPERS' FORUM

Press Statement

James Hookham concluded:

*“National shippers' associations around the world have consistently taken up this matter with their respective governments. Surcharges distort trade competitiveness by adding seemingly spurious costs that are often disproportionate to the situations supposedly causing them. Shipping lines and terminal operators should be focussed on eliminating the cause of any additional costs in their businesses and not just be passing them on to their customers in additional surcharges”.*

Ends

### Editors' Notes

1. Global Shippers' Forum (GSF) is the global business organisation speaking up for exporters and importers as cargo owners in international supply chains and trade procedures. Its members are national and regional shippers' associations representing manufacturing, wholesaling and retailing businesses in over 20 countries across five continents. GSF works for safe, competitively efficient and environmentally sustainable global trade and logistics on behalf of its members.
2. James Hookham is available for interview on +44 7818 450 440 or email [secretariat@globalshippersforum.com](mailto:secretariat@globalshippersforum.com)