



## **PRESS RELEASE**

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### **GSF announces plan to stop container surcharges**

Global Shipper Forum (GSF) members have joined forces and announced a plan to put a stop to shipping surcharges.

The ambitious goal to end the imposition of container shipping surcharges within five years has been adopted by the GSF at its Annual Meeting currently taking place in Colombo, Sri Lanka this week.

Surcharges are additional and often arbitrary charges applied by some shipping lines and forwarders to the contracted costs of moving freight containers and are a source of intense frustration to their customers (shippers) around the world.

Chris Welsh, Secretary General of the Global Shippers Forum said: "Shippers of goods around the world have had enough of demands made by carriers and forwarders for the payment of charges that are poorly explained or out of proportion for any service provided.

"GSF is looking to end the imposition of surcharges on shippers by 2020 through a series of actions that will expose the scale and injustice of the practice to world trade bodies and if necessary publicise the worst examples notified to us."

Shipping lines and forwarders often threaten to not transport containers if their surcharges have not been paid, putting intolerable pressure on shippers to 'pay-up or get left behind'. The reasons given for applying a surcharge and the scale of charges are growing, but shippers claim they are not related to the true costs of the service being provided.

Examples of surcharges amounting to \$250 per container, were given by GSF members using Asia-Europe trade routes. The cost can sometimes exceed the contracted price for shipments making the management of total shipping costs unpredictable for cargo owners.

Mr Welsh continued: "Surcharges on a shipment can exceed the contracted cost of transport and are disrupting efficient world trade. Our campaign will expose the extent of surcharging and make it an issue in future trading agreements. At times of subdued economic growth this is damaging to world trade and causing distortions in local markets.

"GSF is determined to end these practices and restore visibility to shipping rates and confidence to shippers. It has set itself the goal of ridding world trade of surcharges by 2020."

A number of supporting actions will be pursued by GSF to achieve this, including making the World Trade Organisation and UN bodies aware of the scale and impact of the practice; Seeking amendment to the INCOTERMS compiled by the International Chamber of Commerce to make clear who is responsible for the settlement of certain costs currently recovered through surcharges, and naming and shaming the worst examples of opaque and unjustified surcharges.

## **Notes for editors:**

For further information please call the FTA press office on 01892 552255 / 07818 450425 or email [press.office@fta.co.uk](mailto:press.office@fta.co.uk)

A copy of the GSF Surcharges resolution follows:

### ***GSF aims to rid world trade of Surcharges by 2020***

#### ***It will do this by***

- 1. Getting surcharges recognised as significant impediments to world trade by the United Nations Committee on Trade and Development and the World Trade Organisation***
- 2. Getting transparency of any surcharges and responsibility for their payment mandated in future bilateral and regional trade agreements***
- 3. Exposing the worst examples of spurious surcharges by 'naming and shaming' the perpetrators***
- 4. Getting responsibility for payment of any surcharges specifically accounted for in the 2020 revision of Incoterms by the International Chamber of Commerce***
- 5. Supporting local and regional actions and campaigns to expose surcharge abuses and abolish surcharge imposition through the GSF Best Practice Advice On Managing Surcharges***

The Global Shippers Forum is the only formally constituted organisation that represents global shippers (importers and exporters of goods) and their representatives. Formed in 2010 GSF represents shippers' views and interests to the international UN transport regulatory agencies and trade procedure bodies. It also provides briefings and information to its members on legislative and policy initiatives and shipping market developments. It is registered as a company not for profit in London and its secretariat is based at the Freight Transport Association in Kent, England.