

The Rt Hon Elizabeth Truss MP  
Secretary of State for International Trade  
Department for International Trade  
3 Whitehall Place  
London  
SW1A 2HN

**16<sup>th</sup> August 2021**

Dear *ELIZABETH*

**Ref: International Container Shipping Market**

I am writing in response to the concerns expressed by our members in relation to the current state of the international container shipping market.

In a recent statement, the British International Freight Association (BIFA) said that it foresees rates remaining at extraordinarily high levels, possibly increasing; with capacity remaining extremely tight; ongoing service delays and container shortages, as well as punitive surcharges.

This is extremely concerning, and our members are now bracing themselves for additional surcharges imposed by the carriers as well as increasing port fees, quay rent and demurrage.

In recent times there have been surcharges added for fuel, equipment imbalances, the peak season and currency fluctuations. Last month, a global port authority introduced an energy transition fee of £5 per import container. These surcharges and fees continue to grow and often without explanation or justification.

We are concerned that the container shipping lines and others are cashing in on a global container shipping crisis and in doing so placing unsustainable pressure on other parts of the supply chain that if left unaddressed, will lead to exponential price increases on consumer goods.

Our suspicion grows as Sea-Intelligence, a leading provider of research & analysis within the global supply chain industry, recently reported that while the first quarter is traditionally considered a slack season for container shipping, that revenues soared to unprecedented levels.

Of the 11 carriers that report on these figures, only 3 recorded a Y/Y increase in revenue during Q1 that was under 50% with 3 carriers more than doubling their revenue. In terms of profitability, it was also the first time in 10 years where all major carriers reported a positive Q1.

I have previously raised these concerns with Rachel Maclean MP, Parliamentary Under Secretary of State for Transport, who is responsible for the cross-sector freight strategy, which includes ports and shipping lines as part of the recently established Freight Council.

However, given the significance of this global problem and the speed in which it is deteriorating, these matters will need your support and intervention to help find a solution.

**I would be grateful if you would please explain the work being undertaken by the Department for International Trade, to help resolve this unsustainable situation.**

I look forward to your reply.

Yours sincerely,



**Richard Burnett**  
Chief Executive

The Rt Hon Kwasi Kwarteng MP, Secretary of State for Business, Energy and Industrial Strategy,