

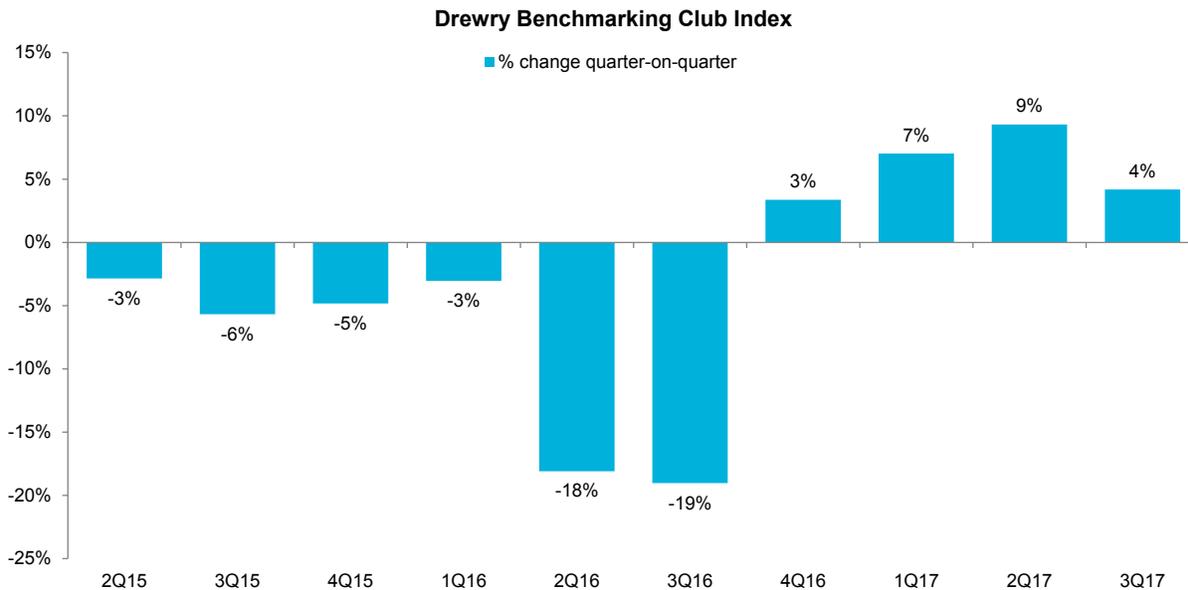


Press release

18 September
2017

Global BCOs hit by 4th quarter of rising contract rates from Asia

London, UK, 18 September 2017 – Contract freight rates paid by Beneficial Cargo Owners to move their products by container have increased for a 4th consecutive quarter, according to actual contract rate data from the [Drewry Benchmarking Club](#).



Source: Drewry Benchmarking Club

Average contract rates on two major container trade routes - from Asia to North Europe and North America – have increased by another 4% between the second and the third quarter of this year. This means that the latest Drewry Benchmarking Club Contract Index has increased by 39% in the year to the third quarter, based on \$2 billion of ocean freight spending.

“The container shipping market has seen a sustained, radical reversal away from the previous, long deflationary trend,” said Philip Damas, Head of Drewry’s logistics practice. *“Not only are freight costs increasing, but rapid consolidation in the supplier base, changes in supplier behaviour and new developments in tender technology will bring real change and uncertainty to the ocean transport procurement environment,”* he added.

Drewry reiterates its previous warning to BCOs that they need to re-think their contract negotiation strategy and that, by incorporating benchmarking and e-sourcing best practices such as eSOFSTM in their tender management process, they can mitigate rate increases.

Full benchmarking data on freight rates, detention and demurrage conditions and transit times are available to shippers within the benchmarking group, provided they meet the group's non-disclosure agreement clauses. Under the group's rules, Drewry is allowed to disclose in public only high level summary index numbers.

[> Read more](#)

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About Drewry

Drewry is a leading international provider of research and consulting services to the maritime and shipping industry. From its origins in 1970 London to a 21st century maritime and shipping consultancy, Drewry has established itself as one of the most widely used and respected sources of impartial market insight, industry analysis and advice. Offering a unique combination of sector knowledge, rich market insight and commercial awareness Drewry is able to consistently deliver the performance, profitability and competitive advantage its clients seek.

Drewry serves its clients through four business units: Drewry Maritime Research, providing market-leading research on every key maritime sector; Drewry Maritime Advisors, supporting the needs of shipping and financial institutions; Drewry Supply Chain Advisors, providing ocean freight procurement support to retailers and manufacturers; and Drewry Maritime Financial Research, delivering an Investment Research Service on listed companies operating in the industry.

Drewry has a truly global perspective of the maritime sectors and areas of expertise it covers and employs over 100 professionals across an international network of offices in London, Delhi, Singapore and Shanghai.

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