

BD exporters concerned over rising shipping rates hitting demand

- A Monitor Report

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Dhaka : Bangladeshi exporters are concerned over the 100 per cent shipping rate increase within just a month.

As per reports, freight rates between Chattogram and China have increased by nearly 100 per cent, while Bangladesh to Singapore has risen some 50 per cent and towards Colombo by about 15 per cent since early May 2024, causing severe hardship for exporters.

China is the top supplier of raw materials to Bangladesh, which exports goods to markets in the US and the EU using transshipment ports, mainly in Singapore and Colombo.

The spot rate on Chattogram-China has shot up to USD 1,500 per teu, while Chattogram-Singapore is USD 300 per teu. Chattogram-Colombo is now USD 230 per teu, reports said citing stakeholders.

"The freight rate has increased significantly due to severe congestions in Singapore," reports added citing Syed Iqbal Ali Shimul, Senior Vice-chair of Bangladesh Shipping Agents' Association.

However, he also suggested a monopoly by local players was behind the recent freight rate hike, further informed reports.

Shipping companies, however, blame the Red Sea crisis, which has added two extra weeks to journey times.

If this goes on, it will be very difficult for shippers to sustain and the neighbouring countries will take advantage of the opportunity and take over.