

UNCTAD urges regulators to fight for greater liner pricing transparency



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The United Nations Conference on Trade and Development (UNCTAD) has urged regulators to push for greater transparency in container shipping amid a protracted period of record rates and dire on time performance by the world's top liners.

UNCTAD issued Policy Brief 84 on Monday in which it examines why freight rates have surged along with recommendations for governments to try and clamp down on any liner attempts to coerce market conditions.

UNCTAD forecasted that the current surge in freight rates is expected to last well into 2021. It also noted that in the longer term, policymakers need to focus on further reforms in trade facilitation and ports; improved tracking and forecasting; and strengthening national competition authorities.

"Policymakers need to promote transparency and encourage collaboration along the maritime supply chain, while also ensuring that potential market power abuse is kept in check or prevented," the UN body stated.

Shippers have repeatedly emphasised that they do not have access to empty containers for exports and face blank sailings, as well as high freight rates, and many competition authorities are investigating potentially abusive behaviours.

“While there are several reasons that may explain the shortage in containers and ship supply capacity, including the disruptive nature of the pandemic and associated restrictions, it is also important to ensure that national competition authorities can monitor freight rates and market behaviour,” UNCTAD suggested.