

# Freight Rates May Remain at Higher Due to Shortage of Drivers, Containers and Rising Fuel Costs



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## Rising fuel rates and their impact

Russia – Ukraine war seems to be the main factor in rising fuel prices and probably the greatest expense and serious delays. Genuine postponements among the production network are unavoidable, as choices on which trucks to fill should be made.

## Availability of containers

Containers were scarce, to a point as there was more demand than supply. Vessels were getting full even before they land in Tanzania meaning overbooking and rollovers. This problem continued until Feb 2022, when adequate numbers of containers were available.

## Shortage of drivers due to the pandemic

There have been instances in the past when the shortage of drivers has caused a great setback to the flourishing economy. This shortage had an immense effect, when the economy is growing, you need a way to channel all the goods where they are supposed to be. If not done, it is a great blow to the booming economy.

## Port infrastructure

Dar Es Salaam port was heavily congested and the ship's stay at anchorage reached up to 21-24 days in the past. However, due to efforts put by port management authorities, the congestion has eased down and now the waiting time reduced substantially to about five to six days

Starting from September 2021, when COVID 19 hit us hard, many countries had lockdowns causing vessels and shipments to be stuck in certain areas. Then came Russia-Ukraine War, which started in Feb-2022, which has impacted mostly the fuel price across the world. The pandemic had created a need for the shippers to focus on reduction in transportation costs. As an attempt to this, they have to rely on fewer logistics providers or request a reduction in freight rates. Regardless of the new difficulties that are there to handle, it's vital to consider them as a learning point, so we can stay versatile and create advancing perceptive logistic systems.

## Economy

The high fuel price has led to a greater credit crisis and rising inflationary demands, which negatively affect the economy. This industry is then forced by expanding consistency guidelines, declining requests, and extra capacity with additional expansions in key expense centres.



### Frequency of shipping lines

Shipping lines are incurring huge costs per vessel as a result of vessel staying at a port longer time, thus causing lines to reduce the number of vessels per month. Another fact to be added is that liners have diverted their ships to other routes looking at congestion at Dar ES Salaam port to generate more revenue. Before there was an average of eight vessels (each route four vessels), after the impact, most of the lines have reduced their number of vessels from two to four. Other lines like MSC are no longer directly calling Dar port, and they are exporting/importing through Mombasa Port.

### Impact on freight charges for both marine and land

Having more demand than supply and impact on fuel prices, prices of freight has gone up by 200% since 2021, and prices are continuing to go up as time goes on.

The same has happened on land transportation, as more cargoes are coming, and we have few trucks to manage these cargoes.

This has impacted prices to go up by 70-80% from Dar es Salaam port to nearby countries.

Tanzania is importing the majority of 40 feet containers. 20 feet size containers were in demand for Sesame seeds, which is a huge shortage. Overall, there will be a shortfall of 20 feet containers and customers will be forced to either use 40 Feet or bulk ship if workable.



### Why sesame seeds are important

From til laddoo to salad topping, we use it in every cuisine in some form or the other. And why not, after all, they possess a plethora of benefits, and above all- the seeds are heart-healthy. They are chock-full of nutrients, including protein, manganese, vitamin E, unsaturated fats, and fiber. From Chinese medicine to our very own Ayurveda, sesame seeds are discussed everywhere as they help in treating diabetes, bowel disease, and high blood pressure too.

<https://timesofindia.indiatimes.com/>



### Helps to kill harmful bacteria

Oil pulling helps to kill these harmful bacteria which might create gum problems or bad breath or cavities.

<https://www.timesnownews.com/>



### Reduce inflammation

Sesame seed help in reducing the inflammation as it contains copper. This mineral helps in reducing the inflammation in bones, joints and muscles lowering the pain associated with arthritis. Copper is also required for iron uptake and to strengthen your joint and bones.

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