

SUNDAY SPOTLIGHT 12 JUNE 2011

SEAINTEL MARITIME ANALYSIS

THE CHALLENGES OF GETTING A PRICE

Only 20 out of 60 quote requests provided a result, with carriers and NVOs equally unlikely to provide a quote

A new U.S. importer attempts to obtain rate quotes for a dry, non-hazardous, port-to-port shipment – the first of, what he hopes to be, many shipments. He will be travelling, as well in and out of meetings throughout the week, so his preferred method of communication is email. He sends the same rate request wording to 33 companies - 22 carriers and 11 NVOCCs - anticipating quick responses.

A few days later, he checks his email. He sees that a few companies had responded with a rate quote and a few others had requested more details. He responds to those who had asked

for more details, and then sends reminders to those that had not acknowledged his initial request.

A week later, of the 33 companies the importer had contacted, only nine had provided a rate quote.

Unfortunately, the new importer had difficulty interpreting six of the nine rate quotes received, due to the fact that they contained abbreviated surcharges, and/or other abbreviations for industry jargon, for which he is not familiar.

Two weeks ago SeaIntel Maritime Analysis decided to investigate which experience a new cargo

JUST HOW EASY IS IT?

We have devoted most of this SeaIntel Sunday Spotlight to investigating the experience of a small cargo owner trying to get something as simple as a price for a product he might want to procure.

However, unlike many other industries he finds that the simple question of “what does it cost” is exceedingly difficult to get a straight answer to. Mostly he is simply ignored. When he finally does get an answer, he will only be able to understand it if he understands words such as HCF, STF, EBS, ARS, ASC, OWS, BDCGX, ORC and many other similar terms.

We have included a lot of documentary material as seen by this shipper. Our intent is not to point fingers at any particular carrier – all stories in here seem endemic

Received in actual quote :

Pay Term:

Collect Only, CY/CY incl BAF/CAF/CP plus ISPS/THC/DF/ENS/CK/HQSE USD

100/SZ/AGS/SJ/OWS/WS(RULED) /Others if any Collect Only, From BDCGX CFS/CY incl BAF/CAF/POL THC/HQ SE/ENS plus ISPS/PON

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