

# SUNDAY SPOTLIGHT

4 SEPTEMBER, 2011, ISSUE 24

## SEAINTEL MARITIME ANALYSIS

### 5 FREIGHT RATE INDICIES

Definitions not always aligned with stated aim of the index. TSA index have methodological issues.

This week saw two new freight rate indices launched, bringing the total to 5 available main indices. This is an indication that the container shipping industry is gradually moving towards increased information transparency.

We decided to investigate the precise definitions of these indices to see whether the indices can be compared. However, as some index providers have given very clear statements as to the purpose of their index, we will also investigate whether the definitions support the stated purpose. This is not always fully the case.

The 5 indices we are investigating are:

**CTS:** Container Trade Statistics

**TSA:** Transpacific Stabilization Agreement

**WCI:** World Container Index

**CCFI:** China Container Freight Index

In terms of methodology we will initially review the definition of each index separately and investigate whether the definition is aligned with the stated purpose.

Secondly we will make an investigation across the 5 indices to determine whether they can be directly compared, or which factors one should take note of before engaging into use of the indices.

Our information is based upon the definitions and intentions made public by the index providers, as well as direct correspondence with the index providers wherever information was seen to be missing from their public definitions.

### THE VALUE OF INFORMATION

The container shipping industry is rapidly beginning to see the value of market intelligence. This has resulted in a flurry of new information being made available – and this is very positive development for the industry as a whole. However, as information is valuable, control over development and provision of information is equally valuable. With two new freight rate indices launched this week, we are now getting much better insights into pricing developments in the market than ever before. However, it pays to be vigilant in analyzing who defines the data, as not all information is as unbiased as it might seem at first glance. We have therefore devoted a significant portion of this

This file is a preview provided by [SeaIntel.com](http://SeaIntel.com) for users who are not subscribers. Click on the link to view subscription options for SeaIntel Sunday Spotlight.  
[http://seaintel.com/index.php?option=com\\_virtuemart&view=productdetails&virtuemart\\_product\\_id=5](http://seaintel.com/index.php?option=com_virtuemart&view=productdetails&virtuemart_product_id=5)