

Shipping and Logistics Cost to Keep Rising in 2022




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Grays, Essex Jan 28, 2022 (Issuewire.com) - **VSL Logistics** offers worldwide Logistics solutions & Delivery. We are providing guaranteed same day courier delivery services across UK & Europe. VSL is an expert in providing Shipping and Freight Forwarding services by Road, Air, Sea & Rail.

Has your business got documents, parcels, or pallets of goods you need to move?

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UK & International Same Day courier, Parcels, Airfreight, Sea Freight, Road Freight, E-commerce delivery solutions. We will find a solution that works for your business needs. We provide shipping solutions for all kinds of businesses AnySize -AnyWhere -Anytime.

With the supply chain costs soaring in the middle of the pandemic, we are expecting a rise in the prices of the shipping and logistics industry as well. The price was already sky-high during the COVID pandemic, but it's expected to grow more as the transportation of goods from one place to another has become quite a challenge for logistics companies worldwide. The ports were closed during the pandemic. It took days for shipments to arrive at the target destination, both via air and waterways. The tight capacity combined with solid demand for goods has created quite a fuss in the logistics market. It is assumed that the growing inflationary pressure might make things worse and result in a further hike in prices.

Shipping and logistics executives believe that the prices of the logistics and transportation contracts will also double in 2022, considering the tight capacities in ocean freights and the increasing demand for logistics. We already see a growth in the prices in the freight sector, such as [same day UK delivery](#), ocean shipping, warehouse prices, trucking, and so on.

The raised cost of transportation in these sectors will worsen the condition by making transportation even more expensive than it already is. Add to it the same-day courier services that ensure delivery to different parts of the nation within the same day or a few hours. While the COVID pandemic is believed to have a significant role in this sky-high transportation fees and logistics cost, the growing customers' demand and lack of balance in the supply chain are a few other factors that raise the prices.

Will this Rise in the Cost of Transportation Continue in 2022?

This spike in prices clearly shows us how the prices of the sea containers will break all records this year. There is no denying that annual contract rates will see a sharp growth in 2022. Most industry experts believe that this sudden increase in shipping and logistics prices is because of the high demand. This gives transportation and logistics companies a solid reason to raise the prices when signing new contracts.

Plus, there is a constant pressure of inflation in nearly every industry. The increasing prices of fuel across different sectors and inflation in other transport-related operations are clear examples of what we should expect for the logistics sector in 2022. Prices have been increasing exponentially recently. This spike in the cost of transportation has not been recent. We have been noticing it since the start of the pandemic. It still continues and is expected to grow further in 2022.

Transportation Cost in the Next Five Years

The rise in the transportation cost is not only for international transportation, but we also see this dramatic increase in the rates for domestic transportation. Especially in the US where the prices for transportation are up 23%. One of the factors that contribute to this inflation in logistics is the lack of a proper workforce. It's getting harder and harder for the transportation industry to find labors who are willing to work for a reasonable price. The labor cost has increased significantly, along with other costs. The price increase will be moderate as soon as the demand eases and the supply chain returns to normal.

However, we are not expecting to see that until next year. 2022 will be all about the capacity-constrained market that will experience inflationary pressure, as well as, equipment disruptions. The prices of the

parcel shipping services are rising at the fastest rate, as the pricing power has now shifted from customers to the courier delivery personnel. Even landlords are not accepting new long-term leases as they believe the right market capacity is highly likely to lead to increasing prices in the coming year.

If things move at the same pace as they do now, there is a good chance the rents will be incredibly higher than they are right now. Parcel delivery companies are passing the high labor cost to either customers or businesses placing delivery orders, as the workers' wages have grown significantly. The increasing competition in the labor market has led to workers asking for a high wage.



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