

4 TIPS ABOUT YOUR FUEL SURCHARGE

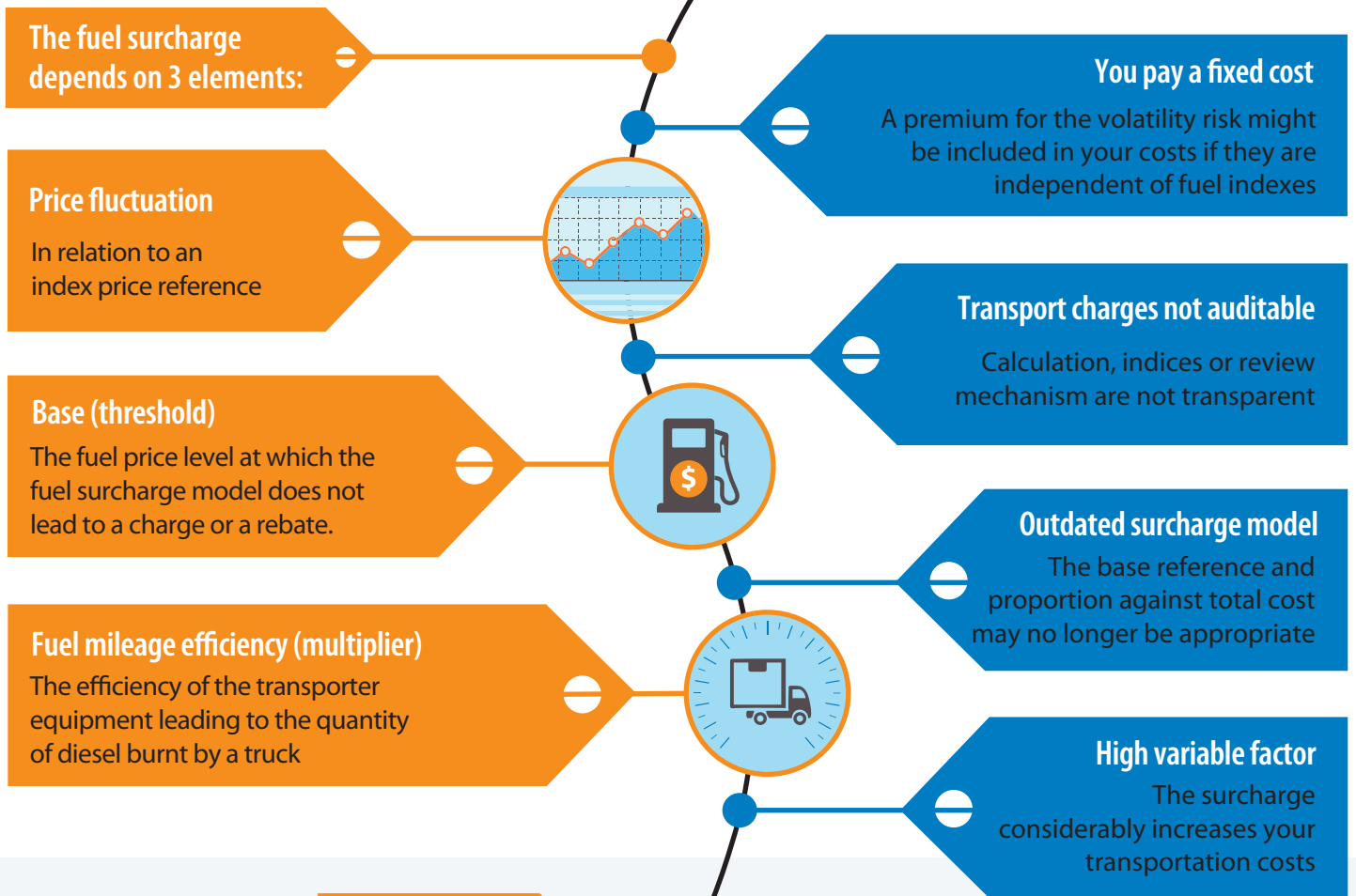
WHAT IS FUEL SURCHARGE?

Fuel price fluctuates due to a combination of factors such as changes in international index prices, local exposure to foreign currencies, level of competition and pricing decisions by wholesalers and retailers. Often, the transport industry will charge a fuel surcharge (levy) to customers in order to protect against the risk of volatility and pass on any price increases. This surcharge may seem systematic and unchallengeable. But is it really?



HOW DOES FUEL SURCHARGE WORK?

COMMON CHALLENGES



WHAT CAN HELP? 4 TOP TIPS

Test the market

Compare transporters' fuel surcharge pricings and assumption, they can be quite different based on the consumption and negotiated bulk cost

Define adequate price review mechanism

Link it to public index, confirm review intervals, establish base and multiplier

Save on fuel costs

Optimise routing via advanced TMS, consider switching transport modes

Develop relationship with carriers

Share benefits such as fuel tax credits and grant schemes through established long term deals and reliable volume with suppliers