

APN warns of spiralling transport costs



The Association of
Pallet Networks

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The Association of Pallet Networks says the inexorable rise of transport costs will affect freight costs and the cost of living.

While the UK government espouses the benefits of higher wages, freight customers must prepare themselves for significant rate rises in the freight transport sector, warns Paul Sanders, chairman of [The Association of Pallet Networks](https://www.apn.co.uk) (APN).

The well-documented driver shortage is leading to spiralling wage costs. This is in addition to:

- increased costs from the need for customs clearance staff following Brexit
- higher wages for forklift truck drivers and warehouse staff
- additional training costs as hauliers pick up the cost of licence acquisition training
- unexpected fuel costs as hauliers struggle to get bunkered fuel deliveries
- increased insurance costs as hauliers face higher premiums and excesses from employing younger or less experienced drivers
- increased vehicle costs

“Our networks must all assess and address their costs separately, as is fitting from a competitive sector,” says Sanders. “However freight customers must be aware that transport costs can only rise and that in order for road transport companies to remain sustainable and be able to invest in the future, they must pass these costs onto their customers.”

He says the road transport sector also bears the cost new regulations such as the Direct Vision Standard and is expected to decarbonise road transport fleets in line with the government’s [Decarbonising Transport plan](#).

“The average profit margin for road transport operators is between 1% and 2%, so they will not be able to make the necessary investments in road safety, training, or decarbonisation unless they can pass on costs and ensure their profit margins are protected,” he says.

These costs will inevitably affect consumers. Morrisons is the latest retailer to warn of sector-wide inflation in retail due to increased commercial transport costs. Increased food import costs and rising global food prices will exacerbate this situation, according to commentators in *The Grocer*.

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What can government do?

The APN is calling on government:

- to suspend the Driver CPC which deters many older drivers from either remaining in or rejoining the industry and agree to abolish or reform.
- re introduce standard driving licence holders to drive 7.5 Ton drivers
- provide a government-backed insurance scheme to allow hauliers to employ younger and less experienced drivers without hikes in premium and excess costs
- to amend the Apprenticeship Levy to allow it to be used for direct licence acquisition costs

Notes for editors

The **Association of Pallet Networks** has a membership of eight pallet networks in the UK: Palletways, Fortec, Palletline, United Pallet Network, Pallet-Track, Pall-Ex, Palletforce and THE Pallet Network. This in turn represents a total of 650+ hauliers, almost 30,000 vehicles and over 13 million sq ft of warehouse space.

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