

PRESS RELEASE

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Finnish Transport and Logistics SKAL: Heavy increase pressure on transport prices

Finnish Transport and Logistics SKAL gives transport customers heads up of radical increase in costs from end of last year.

The factor underpinning the cost increase is the economic down cycle brought about by the financial crisis in 2008. As a result, the average net result of the transport companies for 2009 was in the red. Despite the fact that the overall Finnish economy took a positive turn in 2010, the recovery of the transport business has had a very slow start. Tougher competition and increasing grey economy phenomena have put a strain on their profitability.

From February 2010 to the same month in 2011, the costs of lorry and pickup transports have already increased by 7.2% while the growth is even more marked in articulated vehicles, or 8.0%. This is over twice the annual increase of the consumer price index which was 3.3%. All cost factors show a growing trend: from last November to date, the price of diesel has risen by almost 16%, interest rates are higher and salaries were 0.6% up on 1 April.

Operations burdened by extended payment times

The payment times of invoices have been arbitrarily extended by many foreign customers, in particular. They have started to pay as late as after 2 or 3 months. This causes considerable cash flow problems for the transport companies which need to pay their own dues in time. Over-long payment times are unacceptable under the Finnish payment practices.