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Zaventem, 20 June 2022

Dear FIDI Affiliate,

I am writing to you about the ongoing situation concerning significant increases in the price of energy around the world.

The infographic that accompanies this letter shows that, after initial uplifts last year, fuel prices have risen sharply during the early months of 2022 – and they are expected to continue to rise further still. This includes unparalleled growth in the cost of diesel, an 80 per cent rise in coal, and a doubling in the price of natural gas. The price of shipping fuels has risen to record levels, with very low sulphur fuel oil (VLSFO) now above US\$1,000 a tonne; while jet fuel is up 82 per cent on last year.

The [World Bank](#) forecasts that on average, energy prices will rise by 50 per cent this year compared with 2021, before easing during the following two years. Meanwhile, it says the price of Brent crude oil will grow by an average of US\$100 for a barrel, the highest level since 2013, a rise of 40 per cent on last year. This price is expected to fall from next year, but to remain well above the most recent five-year average.

These critical trends were triggered by forces including the post-lockdown reopening of economies, which has increased demand for raw materials, putting pressure on availability and pushing prices upwards; and compounded by ongoing issues impacting on the supply chain, notably the shipping sector ([see the open letter we published in September 2021](#)).

The war in Ukraine has added further complexity, changing patterns of trade that could cause longer-lasting inflationary pressures and a major diversion of energy trade. With Ukrainian and Russian sources respectively unavailable and widely boycotted, some countries are now seeking fuel supplies from more costly remote locations. If the conflict continues for an extended period, prices could become more volatile and rise further still.

These forces are impacting on a cross-section of international sectors, including the moving industry, which is facing substantially higher bills for overland, sea and air transport; running its offices; for packaging materials and other overheads.

FIDI will continue to monitor the market and report to our membership with significant further developments.

In the meantime, please share the infographic and this update with your supply chain and customers to keep them updated.

A handwritten signature in blue ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name "Jesse van Sas".

Jesse van Sas
Secretary-General
FIDI Global Alliance