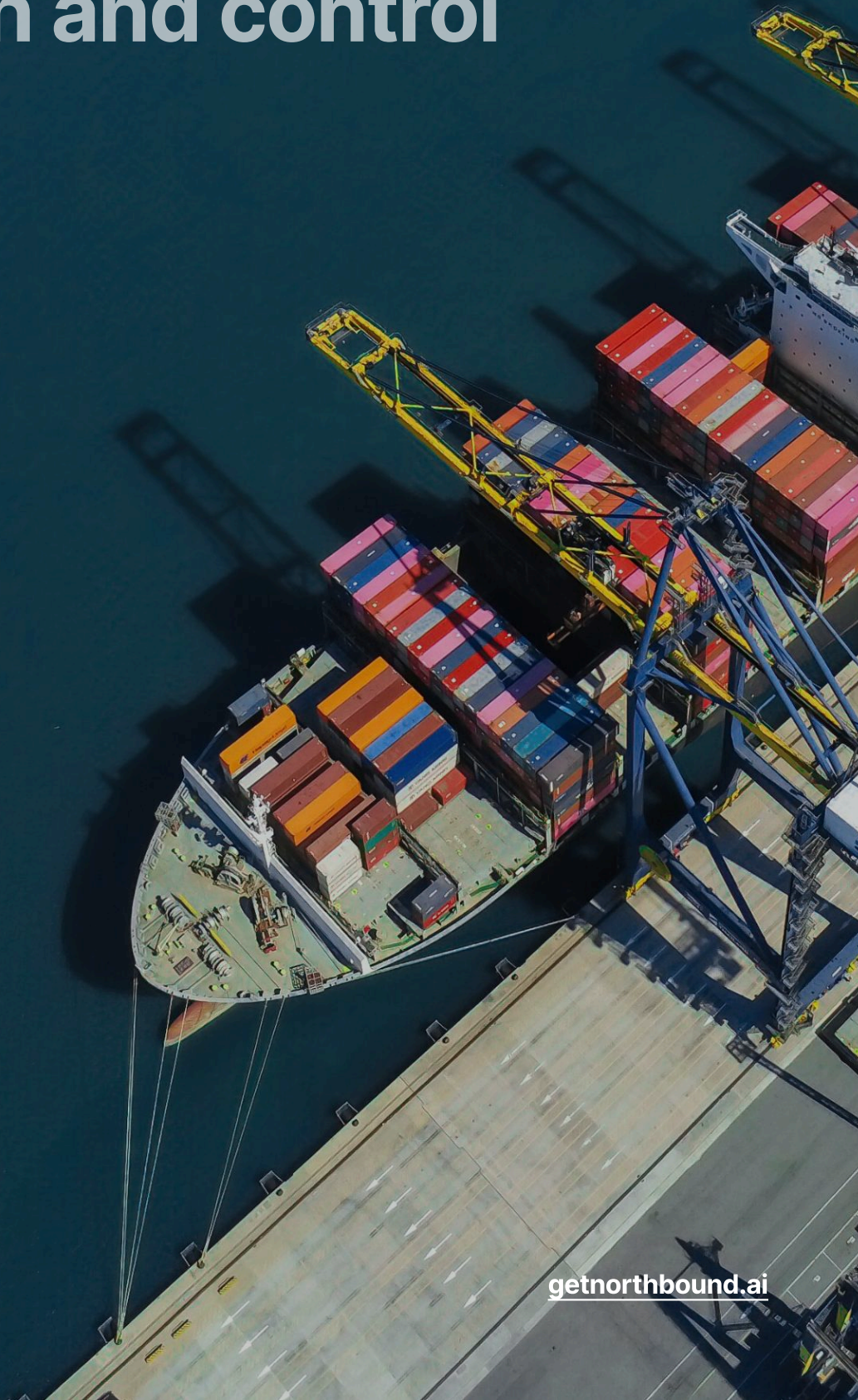


Free Whitepaper

# Demurrage & Detention

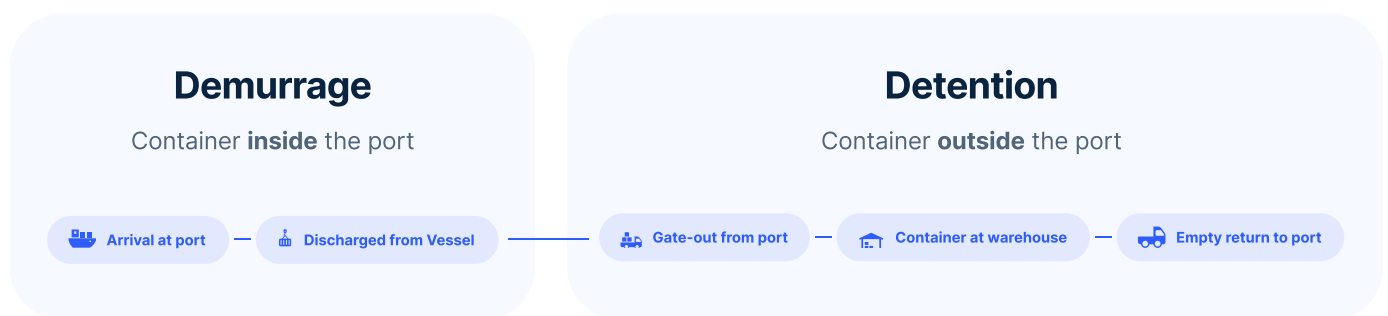
## Best practice for cost reduction and control



# Understanding Demurrage & Detention (D&D)

Demurrage and detention (D&D) charges are a silent drain on profitability, consuming **up to 10% of freight budgets** for many businesses. These fees, incurred when containers exceed their "free time" at ports or during transit, are **often overlooked** until they escalate into

**significant costs.** With global shipping lines generating over €1 billion annually from D&D charges, it's clear that these penalties are not just operational headaches — they are strategic challenges that demand executive attention.



# Why Do D&D Charges Persist?

D&D charges primarily exist to incentivize efficient container usage and ensure smooth operations across global supply chains. They also serve as a significant revenue stream for global shipping lines, generating billions annually.

However, these charges often become a financial burden due to **operational inefficiencies, lack of transparency, and external factors**. For example:

## 1 Port Congestion

Ports like New York and Rotterdam impose some of the highest D&D fees globally, with **daily rates exceeding €200 per container** after free time expires.

## 2 Carrier Variability

Even at the same port, D&D rates can **vary by up to 300%** depending on the carrier.

## 3 Manual Processes

Many companies still rely on **outdated tools** like Excel sheets to track D&D spend, leading to **missed opportunities** for proactive cost management.

# The Challenges in Managing D&D Costs

## Lack of Transparency

Businesses often struggle to find accurate D&D rates across carriers and ports. This lack of visibility makes it difficult to predict costs or identify errors in invoices.

**i** To close this gap, Northbound has created the **first-ever D&D rates database**, covering key carrier rates across major ports like **Hamburg, Antwerp, New York, and Long Beach**.

## Complex Billing Structures

With varying free time policies, rate tiers, and combined fees, auditing D&D invoices is a daunting task. Errors are common — Northbound's data shows discrepancies in 20% of audited invoices.

## Reactive Management

Most companies only address D&D costs after they've accrued, missing the chance to take proactive actions that could prevent penalties altogether.

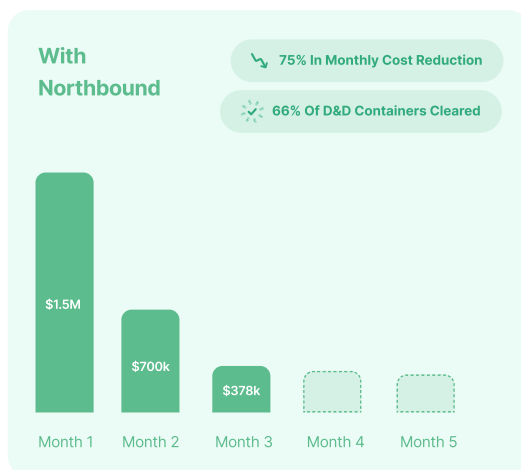
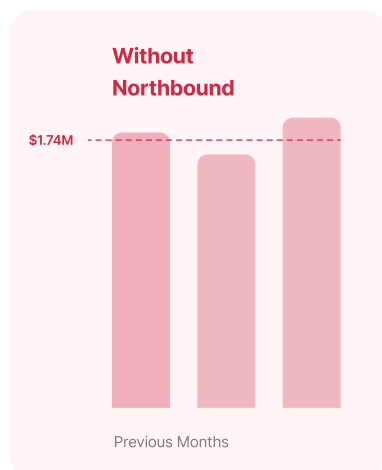
# Case Study: Real Savings for a Leading Global Automotive Company with Northbound

A **global automotive manufacturer** faced annual **D&D fees exceeding \$20 million** due to limited visibility. Northbound's AI-powered platform provided a

comprehensive solution to tackle the company's D&D challenges by enabling **real-time visibility, precision auditing, and actionable insights.**

## Implementing Northbound led to

- Monthly D&D **costs were reduced by 75%** within three months
- The company achieved a **87x ROI** within 3 months of starting the proof-of-concept phase



## About Northbound

Northbound helps businesses reduce demurrage and detention (D&D) costs with real-time cost transparency, automated alerts, and AI-driven invoice verification. By making hidden fees visible as they accumulate, the platform enables team to act early - optimizing container flows, coordinating with partners, and preventing unnecessary charges. Northbound also provides deep insights into long-term

D&D trends, enabling decision-makers to uncover cost-saving opportunities and renegotiate contracts with confidence. With advanced invoice verification, Northbound validates charges and flags discrepancies, enabling businesses to make data-driven decisions, reduce unnecessary fees, speed up container turnover, and optimize their overall container logistics.

[Schedule Demo](#)



**Andreas Canel**

Co-Founder & Co-CEO  
[acanel@gonorth.ai](mailto:acanel@gonorth.ai)



**Rahul Yadav**

Co-Founder & Co-CEO  
[ryadav@gonorth.ai](mailto:ryadav@gonorth.ai)

[getnorthbound.ai](https://getnorthbound.ai)

