

# Freight rates may rise 3-3.5% as truckers fear margin wipeout after fuel price hike

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Truck operators and logistics companies across the country have indicated that freight rates could rise by 3-3.5 per cent following the increase in fuel prices at the pump, while warning that mounting cost pressures are threatening to erode already thin margins across the sector.

The warning comes as the industry grapples with rising costs across a range of operational inputs, including tyres, diesel exhaust fluid (DEF) used in Bharat Stage VI (BSVI)-compliant engines, toll charges, lubricants, spare parts, and other consumables essential to logistics operations. Petrol and diesel prices were raised by ₹3 per litre early on Friday, after state-run oil companies faced mounting losses linked to higher global crude prices amid the ongoing crisis in West Asia and the blockade of the Strait of Hormuz, a maritime chokepoint for roughly a fifth of global oil and liquefied natural gas trade.

“In view of the current increase in diesel prices, we believe that a fair and reasonable freight revision would be in the range of approximately 3-3.5 per cent, depending on route, vehicle type, and operational profile,” said Ashok Goyal, national president of the All India Transporters Welfare Association (AITWA).

The industry body has advised its members to engage



Key routes	Truck rental for April 2026 (₹)	Chg (%) M-o-M	Chg (%) Y-o-Y
Delhi-Kolkata-Delhi	1,74,000	2.4	12
Mumbai-Chennai-Mumbai	1,72,000	1.8	10
Bengaluru-Mumbai-Bengaluru	1,41,000	1.4	10
Delhi-Mumbai-Delhi	1,73,000	1.8	9
Kolkata-Guwahati-Kolkata	1,54,000	2.0	8

Note: For 18-tonne payload, Source: Shriram Mobility report

constructively with customers and principal companies to secure fair compensation for rising operational costs. Tyre prices alone, AITWA noted, have risen by ₹1,000 over the past month.

For an industry already operating on wafer-thin margins, the latest fuel hike threatens to intensify financial stress. “We will fully pass it on to customers. The increase will be upwards of 3 per cent, depending on the state. This comes at a time when we are already operating at a loss, and the government’s decision will raise costs per truck by another ₹10,000

a month, effectively wiping out our margins,” said K Arul, secretary of the Namakkal Taluk Lorry Owners Association, based in one of South India’s largest logistics hubs — in Tamil Nadu. “In some states, such as Kerala, ‘unofficial’ fuel caps are also in place, adding further pressure,” he added.

The impact could be rippling beyond traditional freight movement. Rising fuel prices are accelerating structural changes across India’s e-commerce, quick-commerce, and material-handling sectors, where last-mile delivery economics are especially

vulnerable to fuel volatility. “A 10 per cent increase in fuel prices can raise last-mile delivery costs by nearly 5-7 per cent, placing additional pressure on companies already operating on thin margins,” said Jai Sancheti, vice-president, Material Handling Equipment Solutions at SILA. “Quick-commerce businesses are particularly affected, as higher delivery expenses weigh on profitability while average order values remain low. This is accelerating the move towards micro-fulfilment centres located closer to urban consumers in order to reduce travel distance and delivery costs.” To blunt the impact, logistics operators are increasingly adopting route optimisation, dynamic pricing, multimodal transportation, and fuel-efficiency measures. The shift comes even as freight demand remains uneven across regions.

A Shriram Mobility report published in May showed truck rentals increasing on key corridors such as Delhi-Kolkata-Delhi by around 2.4 per cent and Kolkata-Guwahati-Kolkata by roughly 2 per cent. Routes linking Delhi-Mumbai, Mumbai-Chennai, and Bengaluru also recorded modest gains. Yet some stretches, including Mumbai-Kolkata-Mumbai and Delhi-Bengaluru-Delhi, saw marginal declines, pointing to softer demand in select pockets of the market.