



SEMAPHORE

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European Commission to End Consortia Exemption

A European Union (EU) legal framework which has exempted liner shipping consortia from its antitrust rules since September 2009 will not be further extended, the European Commission has announced.

Following a review of the Consortia Block Exemption Regulation (CBER) launched in August last year, the Commission concluded this October that it “no longer promotes competition in the shipping sector”.

Commissioner Didier Reynders, who is in charge of EU competition policy, emphasised the importance of shipping services to both European and world trade.



Commissioner Didier Reynders

“This key sector has undergone significant structural changes, such as carriers’ consolidation, global alliances and vertical integration, resulting in new market conditions, which became apparent during the coronavirus pandemic,” he said.

“Our evaluation has shown that a dedicated block exemption for shipping lines is no longer adapted to those new market conditions. This is why we have decided not to extend the current framework and to let it expire on 25 April 2024.”

When launching its review, the Commission invited feedback from stakeholders on the performance of the CBER and sent targeted questionnaires to interested parties in the maritime liner shipping supply chain.

“Overall, the evidence collected from the stakeholders points towards the low or limited effectiveness and efficiency of the CBER throughout the 2020-2023 period,” stated the organisation.

“Given the small number and profile of consortia falling within the scope of the CBER, the CBER brings limited compliance cost savings to carriers and plays a secondary role in carriers’ decision to co-operate.

“Furthermore, over the evaluation period, the CBER was no longer enabling smaller carriers to | co-operate among each other and offer alternative services in competition with larger carriers.”

However, the Commission’s statement also emphasised that the expiry of the CBER did not mean that co-operation between shipping lines would automatically become unlawful under EU antitrust rules.

“Instead, carriers operating to or from the EU will assess the compatibility of their co-operation agreements with EU antitrust rules based on the extensive guidance provided in the Horizontal Block Exemption Regulation and Specialisation Block Exemption Regulation.”

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