



Antitrust: Commission invites comments on future regime for liner shipping consortia

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The European Commission is inviting comments on the legal framework exempting liner shipping consortia from EU antitrust rules that prohibit anticompetitive agreements between companies, known as the "Consortia Block Exemption Regulation".

Container shipping organised on the basis of liner consortia accounts for the majority of non-bulk freight carried by sea to and from Europe. Competitive shipping services are therefore essential for the EU's economy as a whole.

EU law generally bans agreements between companies that restrict competition. However, the maritime [Consortia Block Exemption Regulation](#) allows, under certain conditions, shipping lines with a combined market share of below 30% to enter into cooperation agreements to provide joint cargo transport services (known as "consortia").

Where such consortia face sufficient competition, where they are not used to fix prices nor share the market, their users may benefit from improvements in productivity and service quality. They are therefore exempted from the prohibition of anticompetitive agreements in [Article 101\(1\)](#) of the Treaty on the Functioning of the European Union (TFEU).

The Consortia Block Exemption Regulation will expire on 25 April 2020. The Commission has therefore launched a consultation seeking to collect views from stakeholders to assist the Commission's assessment of the impact and relevance of the Consortia Block Exemption Regulation, and to provide evidence for determining whether it should be left to expire or prolonged, and if so, under which conditions.

In particular, the Commission is seeking the views of shipping companies, their clients (shippers and freight forwarders), port operators and their respective associations. Other interested parties include industry analysts, academics, and law firms specialising in competition law and the maritime sector. The competition authorities of the EU Member States will also be consulted.

All stakeholders are invited to submit their views on the Commission's [consultation website](#) until 20 December 2018.

The Commission will carefully review all input and will publish the stakeholders' submissions, a summary of the main findings and conclusions on the consultation website.

Background

Liner shipping services comprise the provision of regular, scheduled non-bulk maritime cargo transport (the vast majority in containers) on a specific route. They require significant levels of investment and therefore are regularly provided by several shipping companies cooperating in "consortia" agreements. Consortia can lead to economies of scale and better use of the space of the vessels. A fair share of the benefits resulting from these efficiencies can be passed on to the users of the shipping services in terms of better coverage of ports and better services.

[Article 101\(1\)](#) of the Treaty on the Functioning of the European Union ("TFEU") prohibits agreements between companies that restrict competition. However, under [Article 101\(3\)](#) TFEU, such agreements can be declared compatible with the Single Market provided they contribute to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefits without eliminating competition.

[Council Regulation 246/2009](#) provides that, in accordance with the provisions of Article 101(3) TFEU, the Commission may exempt consortia agreements from the application of Article 101(1) TFEU for a period limited to five years, with the possibility of prolongation. Accordingly, the Commission has adopted the Consortia Block Exemption Regulation ([Commission Regulation \(EC\) No 906/2009](#)), which sets the specific conditions for such an exemption. These conditions notably aim at ensuring that customers enjoy a fair share of the resulting benefits.

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