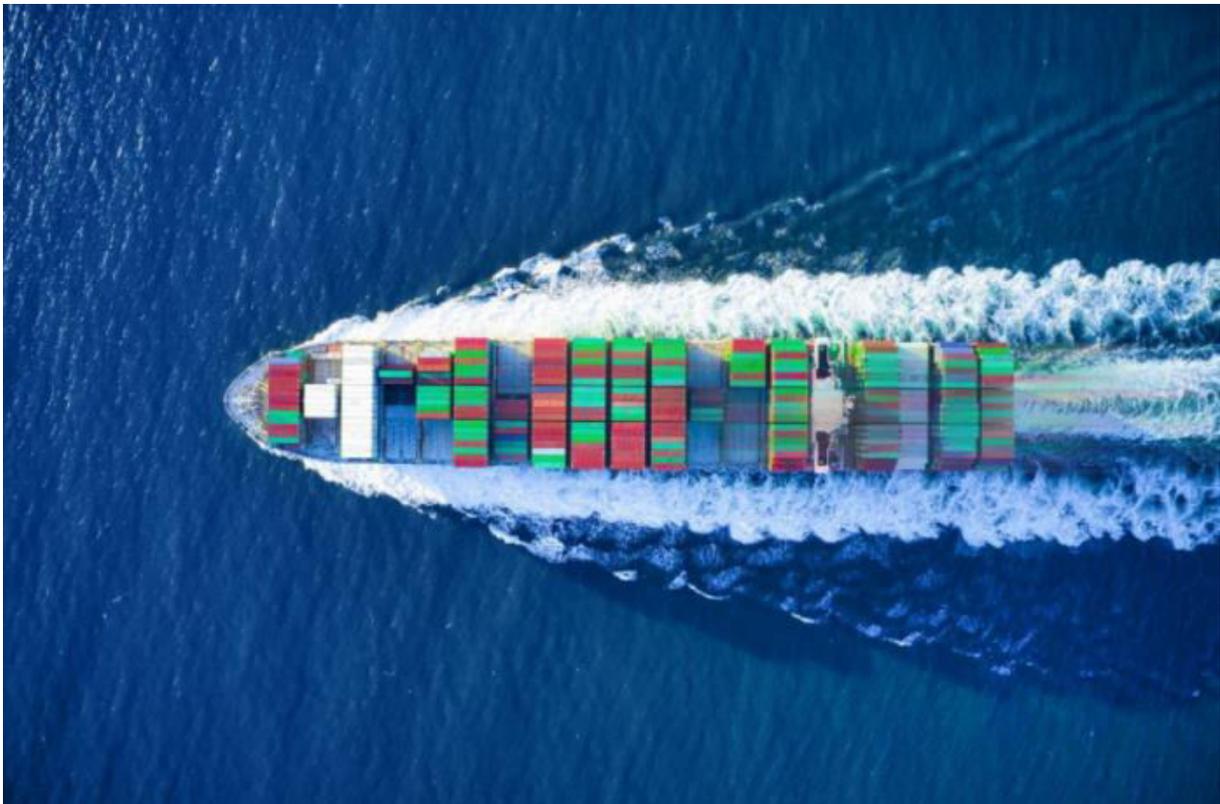


UK freight association welcomes latest recommendation on container shipping rules

November 21, 2023



UK freight forwarders have welcomed the news that the UK's Competition and Markets Authority (CMA) is recommending, provisionally, that the Consortia Block Exemption Regulation (CBER) should lapse when it expires on 25 April 2024.

Recently, the UK's main trade association for freight forwarding and logistics companies stated that its members are extremely concerned that container shipping lines' practices, as well as easements and exemptions granted to them, have been distorting free market operations to the detriment of international trade, businesses, and consumers.

"The decision follows October's news that the European Commission would not extend the Consortia Block Exemption Regulation (CBER) and, if it becomes a final decision, will be a sensible conclusion to the ongoing container market public consultation that has been conducted by the CMA since the start of this year," stated Steve Parker, director general of the British International Freight Association (BIFA).

He further added "When the CMA announced the review in January this year, BIFA expressed our surprise that the authority appeared to issue a provisional position which suggested the extension of a potentially modified CBER into UK legislation. So, we are pleased that the CMA has effectively reversed that decision and reached the same conclusion as the European Commission."

Parker went on, "However, we note that this is a two stage review, and the CMA is looking for further feedback by December 15th on this provisional recommendation, before it presents its final decision to the Secretary of State for Business and Trade.

"There is no room for complacency. The shipping lines have hit out against the EC judgement and we understand that they have been lobbying in London for the UK to retain some form of CBER.

"Given the possibility that the shipping lines will make new submissions to the CMA, BIFA will be working with our members to provide further argument that supports the decision to let the CBER lapse."

The CMA's provisional recommendation suggests that whilst this regulatory change, if implemented, will not end shipping line consortia and alliances, it will allow greater and ongoing scrutiny of such arrangements; and ensure that the lines will be subject fully to competition law, which will be welcomed by British International Freight Association (BIFA) and its members.