

PUBLIC STATEMENT

CLECAT Continues to Call for a Repeal of the Consortia BER

European freight forwarders, represented by CLECAT, express their disagreement with the proposal of the European Commission to prolong the current Consortia Block Exemption Regulation (BER), which is due to expire on 25 April 2020, by four years. In doing so, the Commission fully ignores the position of the users of liner shipping services as well as their service providers, who have advocated since the beginning of the review process that the current BER is obsolete, given the increased market concentration in liner shipping combined with the deployment of ultra large container vessels.

At the same time, an important condition for the exemption, which is to provide benefits to the customers, is no longer met, as neither service quality nor productivity has improved over the recent years. Instead, the users of liner shipping services and their service providers have suffered from an increasingly unbalanced market situation since carriers entered into major cooperation agreements. CLECAT has advocated that it is not against consortia and alliances as such, but it considers a block exemption far too generous in view of market developments over the last 5 years.

According to the Commission, the findings of the evaluation demonstrate that the objectives and justifications for the Consortia BER remain valid and that the market conditions of the liner shipping sector still appear to necessitate the existence of a sector-specific BER. In doing so, the Commission largely refers to the arguments brought forward by the representatives of shipowners, ignoring the views of those who believe that it is time for a change.

In its evaluation paper, the Commission itself recognises that there is no accurate data regarding the Consortia BER and that it is therefore difficult to assess whether some consortia are below the 30% ceiling in terms of their market share. According to the Commission's assessment, only one fifth of consortia falls with certainty within the scope of the Consortia BER. Yet, the Commission has proposed to prolong the Consortia BER as it is, thus clearly dismissing the arguments of an important range of stakeholders in the maritime supply chain. This is not taken lightly by CLECAT, which will use the upcoming consultation period on the proposed decision to seek support for a different decision.

For further questions, please contact:

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