European Commission  
Directorate-General for Competition – Unit F.1  
Antitrust Registry  
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Dear Sirs,

We are pleased to respond to the consultation which the Commission launched on 27 February in relation to Commission Regulation 906/2009 (the BER), which entered into force on 26 April 2010 and is due to expire on 25 April 2015. The Commission is consulting on a proposed amending regulation the effect of which would simply be to extend the period of validity of the existing BER by five years. All existing provisions of the existing BER would continue in force unchanged.

Cosco Container Lines Co., Ltd. (COSCON) is a major supplier of containerised maritime transport services to and from the European Union, based in Shanghai in the People’s Republic of China. It therefore is directly and individually affected by EU anti-trust law. COSCON is a member of the CKYHE Alliance, an alliance comprising also K-Line, Yang Ming and Hanjin, and also recently Evergreen on a number of trades in and out of Europe. The CKYHE Alliance accordingly benefits from the current BER and COSCON is satisfied with the legal protection which that affords all the members and would therefore support the renewal of the BER.

COSCON views consortia as a useful form of operational cooperation between liner shipping companies. COSCON has no particular issue with the conditions currently laid down by the BER that must be respected by the members of a consortium in order to benefit from block exemption, including the prohibition of certain practices, such as discussions or agreements on rates and other charges. COSCON’s experience is that the members of the consortium to which it is a party successfully compete with each other on price but also benefit from the operational efficiencies that the consortium provides to all its members.
COSCON notes the statement by the Commission in its accompanying press release that the latest market survey from 2013 shows that the main tenets of the Commission’s approach are still valid.

COSCON’s experience is that the rationale for granting a block exemption for liner consortia, subject to appropriate limits on market power, still holds good. Consortia undoubtedly help to improve the productivity and quality of shipping services, promote technical and economic progress by greater utilisation of containers and more efficient use of vessel capacity. They are also beneficial in terms of environmental protection in so far as they contribute to lower bunker flue gas emission.

For all the above reasons COSCON strongly supports the Commission’s proposal to extend the current BER for five years on the same terms.

Yours faithfully,

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