Merger Review in the Container Liner Shipping Sector

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Does liner shipping still need a special competition law regime?

- Conferences were exempted from Article 101 and still are in many parts of the world, like in the USA and in China
  - Conferences allowed the fixing of rates, i.e. prices, and conditions of carriage, incl. capacity
  - Abolished in the EU as of 18 October 2008
- Consortia are still exempted from Article 101
  - EU prolonged its Block Exemption Regulation until 2020
  - Market share threshold of 30%
- Consortia BER still needed or overtaken by events?
  - Global alliances down to three
  - Consolidation through mergers
Global Alliances Reshuffling

Current Vessel Sharing Agreements

- 2M Alliance
  - MSC
  - Maersk
- Ocean 3
  - CMA CGM
  - UASC
  - CSCL
- G6 Alliance
  - Hapag-Lloyd
  - OOCL
  - MOL
  - HMM
  - APL
  - NYK Group
- CKYHE Alliance
  - Yang Ming
  - Hanjin
  - K Line
  - CMA CGM
  - Evergreen

New Vessel Sharing Agreements, Effective April 1 2017

- 2M Alliance
  - MSC
  - HMM
  - Maersk
- Ocean Alliance
  - OOCL
  - Evergreen
  - Cosco
  - CMA CGM
- THE Alliance
  - MOL
  - NYK Group
  - Yang Ming
  - K Line
  - UASC
  - Hapag-Lloyd
  - Evergreen

~33% of WW capacity
~26% of WW capacity
~16% of WW capacity
The Consortia BER 906/2009

- Entered into force 2010
- Expired 2015
- Prolonged in 2014 until 25 April 2020
- Review needed
- Possible outcomes are
  - Further prolongation
  - Amendment
  - Let it lapse
3rd Merger Wave 2014-2017

Chart of the week

How the Top 20 became the Top 12

Hamburg Süd acquired by Maersk (completion pending)

APL acquired by CMA CGM (Jun 2016)

OOCL 90% acquired by COSCO (completion pending)

CSCL acquired by COSCO (Feb 2016)

UASC merged with Hapag-Lloyd (May 2017)

NYK, MOL, K Line to merge liner shipping businesses (completion pending)

Hanjin Shipping filed for insolvency (Aug 2016)

The 12 carriers that will remain

9 carriers have departed or will soon be making their exits

Source: Alphaliner 28/2017