

**CALL FOR EVIDENCE  
FOR AN EVALUATION**

<b>TITLE OF THE EVALUATION</b>	EU competition law – evaluation of the Consortia Block Exemption Regulation
<b>LEAD DG – RESPONSIBLE UNIT</b>	DG COMP – Unit F1
<b>INDICATIVE TIMETABLE (PLANNED START DATE AND COMPLETION DATE)</b>	Q3-2022 – Q4-2022
<b>ADDITIONAL INFORMATION</b>	<a href="https://ec.europa.eu/competition-policy/sectors/transport-and-tourism/legislation_en#maritime-transport">https://ec.europa.eu/competition-policy/sectors/transport-and-tourism/legislation_en#maritime-transport</a>

**A. Political context, purpose and scope of the evaluation**

**Political context**

EU law generally bans agreements between companies that restrict competition. However, the Consortia Block Exemption Regulation allows, under certain conditions, liner shipping companies (or carriers – who transport goods on ocean-going ships) to cooperate and provide joint services.

This block exemption is based on the finding that joint service agreements between liner shipping companies, also called consortia, are likely to result in more efficient use of vessel capacity, improved productivity and better quality of service for consumers.

The Regulation was adopted in [2009](#) and extended in [2014](#) and [2020](#). The extension decided in 2020 was essentially decided because there had been no deterioration in the parameters of competition (mainly freight rates, availability and reliability of services) in 2014-19.

The extension was nevertheless limited to 4 years, compared to the traditional 5-year duration of the Consortia Block Exemption Regulation, to be able to react more promptly in the event of any possible changes in market circumstances.

The Consortia Block Exemption Regulation is due to expire on 25 April 2024.

The purpose of the evaluation is to assess how well the Regulation has functioned since it was last extended in 2020, so the Commission can decide whether to let it expire or extend it again.

**Purpose and scope**

To evaluate the Regulation, the Commission seeks to examine whether it is still effective, efficient, coherent, relevant and brings 'EU added value', considering developments on the market since it was last extended in 2020, particularly the challenges posed by the COVID-19 pandemic.

While the challenges faced by the sector during the evaluation period are exceptional and unprecedented, their impact on the functioning of the maritime supply chain brings useful lessons on the role of consortia in the productivity of liner shipping services, as well as the overall efficiency and resilience of the global logistics system. As such, they provide useful information on the relevance of the Consortia Block Exemption Regulation.

The assessment of whether the Regulation is still fit-for-purpose will also take into account (i) the trend towards consolidation between carriers, (ii) their vertical integration and (iii) cross-membership between consortia since 2020.

Indeed, the changes in the competitive structure of liner shipping have a bearing not only on the suitability of the sector for a block exemption from antitrust rules, but also on the number of small and

medium-sized carriers that could be the main beneficiaries of the reduced compliance costs that underpin the efficiency of the block exemption.

In that respect, when measuring the effectiveness and EU added value of the Regulation, the Commission will take account of the results of its own efforts to clarify and simplify the rules, through the [review of the Specialisation Block Exemption Regulation and the Commission Guidelines on horizontal cooperation agreements](#).

These guidelines (i) provide guidance on how to interpret Article 101 of the Treaty on the Functioning of the EU and (ii) limit the need for sector-specific competition regimes.

## Better regulation

### Consultation strategy

The call for evidence initiated by the Commission aims to maximise the evidence base for its assessment of how the Consortia Block Exemption Regulation has functioned since 2020.

The 8-week call for evidence will collect the views of the general public, via the Commission's central webpage [Have your say](#). The Commission also welcomes position papers from industry analysts, academics, and law firms specialising in competition law and the maritime sector, which constitute valuable inputs. Replies can be made in any of the 24 official EU languages.

The call for evidence will be complemented by targeted consultation activities with the stakeholders who are most directly affected by this issue, including questionnaires to be sent to:

- carriers and their associations;
- shippers, freight forwarders and their associations; and
- port and terminal operators and their associations.

The Commission will also consult the national competition authorities in EU countries through the European Competition Network. Workshops or round tables will also be organised with other national bodies in EU countries and [BEUC](#), the umbrella organisation for EU consumer groups.

A synopsis report summarising the results of all consultation activities will be prepared.

### Data collection and methodology

#### Questions/issues to consider

The Commission relies on a well-established methodology to evaluate the effectiveness, efficiency, coherence, relevance and EU added value of the Consortia Block Exemption Regulation. That methodology is explained in the [Better Regulation Toolbox](#) and further detailed in the [2019 evaluation](#) of the Regulation.

The Commission has closely monitored the developments in the liner shipping industry since 2020, in particular the effects of the COVID pandemic on the maritime supply chain. For that purpose, the Commission has used quarterly reports produced by the [European Maritime Safety Agency](#), sourced data from experts in the sector, commissioned a fact-finding study from a firm of transport economists and sent a fact-finding questionnaire to carriers in December 2021.

The Commission has also had regular exchanges with stakeholders (notably shippers, freight forwarders and carriers) as well as competition and regulatory authorities in Europe, the US and other jurisdictions, on the issues faced by the sector in the last 2 years and on the outlook for the sector.

Examples of those exchanges include the [Fifth Global Maritime Regulatory Summit](#) on 7 September 2021 and the [debate on congestion in international ports and increased transport costs affecting the EU](#) organised by the European Parliament on 25 November 2021.

Information treated by the Commission as part of its monitoring activities since 2020 will help assess the relevance of the Consortium Block Exemption Regulation. To assess whether the sector still qualifies for a block exemption from antitrust rules, the Commission will in particular use evidence of changes in the competitive dynamics of the liner shipping industry, and more generally in the performance of the maritime supply chain, as revealed by the COVID pandemic.

The evidence collected by the Commission as part of its monitoring activities will be complemented by information gathered from stakeholders during the consultation process.

In particular, replies to the targeted questionnaires sent to transport users (freight forwarders, shippers and their associations) and ports (port and terminal operators and their associations) will be useful, to give the Commission a comprehensive view of the relevance of the Regulation since 2020. The replies will test the effects of consortia on the efficiency of transport operations, the productivity of other

logistics operators and the ability of consortia to bring consumer benefits, compared to independent operators, in stressed market conditions.

Replies to the targeted questionnaires by carriers will be especially useful for quantifying any savings in compliance costs that the Consortia Block Exemption Regulation has brought, specifically for small carriers. This is a marker of the Regulation's effectiveness and efficiency.