

## EC under more pressure to act on liners

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Ten global and European transport, port and shipper associations have written another letter to the heads of waterborne transport and antitrust at the European Commission in Brussels demanding immediate action be taken against global liners.

The letter is a follow-up to one sent in April, which the commission replied to in June, with Brussels bureaucrats largely heaping the blame for the continent's supply chain crunch on Covid.

"The view that seems to be guiding your letter, that the entirety of our concerns are solely attributable to the effects of the global health emergency, is deeply disappointing and frustrating," the letter signed by the heads of the Global Shippers' Forum, the European Association for Forwarding, Transport, Logistics and Customs Services, the International Union for Road-Rail Combined Transport, the Global Shippers' Alliance, the European Shippers' Council, the Federation of European Private Port Operators, the European Tugowners Association, the European Transport Workers' Federation, the European Barge Union and FIATA International Federation of Freight Forwarders Associations states.

The European Commission has been noticeably quiet about soaring liner costs over the past 12 months, while official investigations have been launched in many other jurisdictions including the US, China, Vietnam, Australia and South Korea. Prices on the Asia – Europe tradelane are now around \$14,300 per feu, nearly eight times the price from a year ago.

"Whilst there are undoubtedly, significant impacts of the pandemic, they do occur in a container shipping market, which is fundamentally flawed. Your accurate assessment that liner shipping has become a business 'with little margin for adjustment' speaks to this," the letter by the 10 bodies states, adding: "In our view, an unwillingness by the Commission to address the concerns about the functioning of the market, would fail European consumers and contribute to a weakening of Europe's competitiveness."

The letter concludes by demanding for swift action, stating: “European industry and consumers cannot wait for Covid to subside before the Commission begins to fully address structural issues.”

Feeling the ire of customers and the looming threat of regulatory intervention, two European liners, CMA CGM and Hapag-Lloyd, have recently publicly vowed not to increase spot prices for the coming months.