



Intergovernmental Group of Experts on Competition Law and Policy
17th Session, 11 - 13 July 2018, Geneva, Switzerland

**Roundtable on:
Challenges faced by developing countries in competition and
regulation in the maritime transport sector**

**Friday, 13 July 2018 (10:00 - 13:00)
Palais des Nations, Room XVII (First Floor)**

The sixteenth session of the Intergovernmental Group of Experts (IGE) on Competition Law and Policy requested UNCTAD to prepare studies on this issue.¹ Over 80 per cent of world merchandise trade by volume and over 70 per cent by value is carried by sea. More than half of the total value of global seaborne trade involves containerized cargo transported by liner shipping carriers. Maritime transport is thus highly significant for trade and development, and the liner shipping industry plays a crucial role in international trade in manufactured goods. Therefore, the note by the UNCTAD secretariat² focuses on the liner shipping industry. This secretariat note introduces the regulatory framework of the liner shipping industry and related competition issues. It considers the market structure and the most recent developments with regard to competition and concentration in the sector. The note examines the challenges faced by developing countries and provides policy options for promoting competition in the industry.

Liner shipping is a concentrated industry, with the five largest operators accounting for over 60 per cent of global vessel capacity.³ The sector witnessed greater consolidation in 2016 through mergers and acquisitions and mega-alliances. Consolidation may result in better fleet utilization and improved efficiency, and benefit the shipping industry through cargo pooling, improved economies of scale, reduced operating costs and improved earnings. Nevertheless, growing market concentration increases the risk of market distortion with regard to fair competition. The question is whether these benefits would be passed on to shippers in the form of enhanced service reliability, better connectivity and reduced freight charges. If not, what could be done to ensure that shippers and seaports also benefit from these improvements? This roundtable session will discuss the following questions:

- a) How is increasing market concentration and global alliances in liner shipping affecting competition in the sector, including effects on shippers, seaports and shipping companies, particularly in developing countries?
- c) In view of the international nature of shipping services, what kind of challenges and options do national competition authorities have when dealing with competition issues in the liner shipping industry?
- b) What kind of policy measures could help ensure that the improvements achieved in terms of efficiency and connectivity are passed on to the clients of liner shipping carriers in the form of enhanced reliability of services and reduced freight charges?

¹ TD/B/C.I/CLP/47

² TD/B/C.I/CLP/49

³ Ibid.

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WORK PROGRAMME

10:00 to 10:10 **Presentation by the UNCTAD secretariat**

10:10 to 11:30 **Panel discussion**

Panelists

- Mr. Jan Hoffmann, Chief, Trade Logistics Branch, Division on Technology and Logistics, UNCTAD
- Mr. Robert K. Magovern, Legal Counsel to the World Shipping Council
- Mr. James Hookham, Deputy Chief Executive, Freight Transport Association (UK); Member of Board, Global Shippers Council
- Ms. Polyanna Ferreira Silva, Commissioner, CADE, Brazil
- Mr. Rasul Butt, Senior Executive Director, Competition Commission, Hong Kong, China
- Mr. Hubert de Broca, Head of Unit, Directorate General for Competition, European Commission

11:30 to 13:00 **Interactive debate**

Speakers from the floor:

Mr. Hideyuki Shimozu, Senior Planning Officer, International Affairs Division, Japan Fair Trade Commission (JFTC)
Mr. Djilali SLIMANI, Permanent Member, Conseil de la Concurrence, Algeria
Mr. Bogdan Chiritoiu, President, Romanian Competition Council

Delegates who would like to speak during the session are invited to inform the UNCTAD secretariat by contacting Ms. Ebru Gokce Dessemond (ebru.gokce@unctad.org).