

Brussels, 28 march 2003

## **FEFC abolishes price fixing for specialised deep sea car carriage**

***After discussions with the European Commission, the FEFC group of shipping companies which provides freight transport services between Europe and the Far East, has decided that it would terminate, with immediate effect, its price-fixing regarding the transport of cars by sea. In addition, Swedish/Norwegian maritime car carrier Wallenius Wilhelmsen AS has withdrawn from the Far Eastern Freight Conference (FEFC). This is an important step towards ensuring that liner conferences comply with EU legislation with regard to tariffs and other operational practices.***

Deep-sea car carriage is a highly concentrated sector with only a few major players world-wide. Furthermore, the four largest specialised car carriers – NYK Line, Mitsui O.S.K Lines (MOL), K-Line and Wallenius Wilhelmsen AS are all members of the Far Eastern Freight Conference (FEFC), the main activity of which is containerised liner shipping. Those four shipping lines jointly fix prices for the carriage of cars on board their specialised vessels between Europe and the Far East.

Under the European Union's competition rules applicable to shipping services, liner conferences (groupings of shipping companies providing regular scheduled services) benefit from a so-called block exemption from the cartel prohibition contained in Article 81(1). Under the exemption, and subject to specific conditions, a liner conference may fix maritime freight rates, regulate capacity and agree on other related activities.

However, the Commission has taken the view that specialised car carriage is not covered by the EU liner conference exemption and launched an investigation into the FEFC's price-fixing in this field.

In view of this, and with regard to the present and future conduct of the FEFC car carriers, the FEFC has informed the Commission that all FEFC provisions concerning non-liner services have been removed and abolished with immediate effect. Moreover, Wallenius Wilhelmsen AS has withdrawn altogether from the FEFC. The Commission continues its investigation with regard to past behaviour in this field.

In November 2002, the Commission granted conditional clearance to the joint acquisition by Swedish shipping company Wallenius Lines and Norway's Wilhelmsen of the deep-sea car carrier business of Korean company Hyundai Merchant Marine (HMM). (see [IP/02/1780](#)).

In the course of the investigation it became aware of the FEFC's car carrying business practices and launched a separate investigation.