



## **PRESS RELEASE**

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# **GSF says news EU pricing rules should be adopted worldwide**

New EU pricing rules for shippers that come into force in December should be adopted globally to increase price transparency and prevent uncompetitive behaviour, Global Shippers' Forum told a conference in Asia this week.

Alex Veitch, GSF's Head of Policy, gave a presentation to the Global Liner Shipping Asia Conference in Singapore exploring competition issues in the maritime supply chain including megaships and alliances, the collapse of Hanjin and price signalling - the practice of announcing General Rate Increases.

The new legislation comes into force on 7 December following a three-year EU investigation. Fourteen shipping lines have agreed to significantly change their pricing behaviour but Mr Veitch said the legislation didn't go far enough and should be adopted worldwide.

"If price signalling isn't a significant issue then there should be no problem adopting these rules globally, thereby eliminating any possibility of co-ordinated price increases. Pricing practices need to be completely revised worldwide to bring shipping in line with other modern business practices," he said.

Mr Veitch said the growth of alliances was also of concern as it had led to greater market concentration, with the top five liner companies accounting for almost 60% market share.

"GSF accepts that there are arguments in favour of vessel sharing agreements in terms of efficiency, but it's important to ensure that it is not at the expense of choice and diversity of service. The trend towards larger vessels has also had an impact through increased port costs due to the necessary infrastructure investment and the need to load and unload a large

number of containers quickly,” he said.

A new GSF policy paper will be launched later this month giving a detailed analysis of concentration in the container shipping industry and exploring pressures on the industry resulting from the 2008 financial crisis. For further information, please see [www.globalshippersforum.com](http://www.globalshippersforum.com) or contact Alex Veitch at [aveitch@globalshippersforum.com](mailto:aveitch@globalshippersforum.com) or Chris Welsh at [cwelsh@globalshippersforum.com](mailto:cwelsh@globalshippersforum.com)