

Competition (Block Exemption for Liner Shipping Agreements) Order 2006

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No. S 420

COMPETITION ACT (CHAPTER 50B)

COMPETITION (BLOCK EXEMPTION FOR LINER SHIPPING AGREEMENTS) ORDER 2006

In exercise of the powers conferred by section 36 of the Competition Act, the Minister for Trade and Industry hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Competition (Block Exemption for Liner Shipping Agreements) Order 2006 and shall be deemed to have come into operation on 1st January

2006.

Duration

2. Unless earlier varied or revoked in accordance with the Act, this Order shall continue in force until 31st December 2010.

Definitions

3.—(1) In this Order, unless the context otherwise requires —

“liner operator” means an undertaking which —

- (a) provides liner shipping services; and
- (b) is a party to a liner shipping agreement;

“liner shipping agreement” means an agreement between 2 or more vessel-operating carriers which provide liner shipping services pursuant to which the parties agree to co-operate in the provision of liner shipping services in respect of one or more of the following:

- (a) technical, operational or commercial arrangements;
- (b) price;
- (c) remuneration terms;

“liner shipping services” —

- (a) means the transport of goods on a regular basis on any particular route between ports and in accordance with timetables and sailing dates advertised in advance and made available, even on an occasional basis, by a liner operator to any transport user against payment; and
- (b) includes any inland carriage of goods occurring as part of through transport;

“market” means any market for liner shipping services in which the parties to a liner shipping agreement operate under the agreement;

“price” —

- (a) means the price for which a liner operator performs or offers to perform liner shipping services; and
- (b) includes any charge, other than the base freight rate, that is incidental to or reasonably connected with the provision of liner

shipping services, whether arising by reason of the provision of the liner shipping services or by reason of the occurrence of an uncertainty;

“remuneration term” means any term affecting payment or the amount of the price in relation to the provision of liner shipping services (including a reduction thereof);

“service arrangement” means an agreement concluded between one or more transport users and a liner operator under which, in return for an undertaking from the transport user to commission the transportation of a certain quantity of goods over a given period of time, a transport user receives an individual undertaking from the liner operator to provide an individualised service which is of a given quality and specially tailored to the needs of the transport user;

“tariff” —

- (a) means a list of prices and remuneration terms for which, pursuant to a liner shipping agreement, liner operators agree they may offer liner shipping services to transport users; but
- (b) does not include prices and remuneration terms under a service arrangement;

“through transport” means continuous transportation by a combination of sea and inland carriage from a point of origin to a destination —

- (a) which is undertaken by a liner operator;
- (b) which is performed by the liner operator undertaking the transportation —
 - (i) on its own;
 - (ii) partly on its own and partly through one or more other carriers; or
 - (iii) through one or more other carriers, at least one of which is a liner operator; and
- (c) for which a single amount is charged by the liner operator undertaking the transportation;

“transport user” means —

- (a) an undertaking which has entered into, or demonstrates an intention to enter into, a contractual or other arrangement with a liner operator