

From:
To:
Subject: Response to CBER review
Date: 23 February 2023 16:58:58
Attachments:

Answers to review questions from the British Chambers of Commerce -

Question 1: Do you agree with the CMA's proposed recommendation to the Secretary of State to make a block exemption order to replace the retained CBER?

Yes, on balance the benefits of a block exemption for the industry, connectivity, and consumer prices exceed any potential downsides to competition on liner routes and availability.

Question 2: Relative to current arrangements, if the retained CBER were allowed to expire, how would the absence of legal certainty and clarity affect your business or those that you represent? Please describe the scale of any legal or expert advice needed (eg time spent with consultants).

Would be downside risks on connectivity and routes into UK sea freight ports if the retained CBER expired without similar arrangements being re-introduced.

Firms would require to look at contracts and allocation of risk, which could increase legal and other compliance costs.

Question 3: Please describe the business channels through which the retained CBER currently affects UK consumers. How would UK consumers be affected if the retained CBER were allowed to expire?

Retained CBER leads to overall gains in productivity and keeping consumer price pressures lower in the absence of exogenous price shocks or disruptions to global trade.

Question 4: Does the scope of the retained CBER, set out in Article 1, require modification or updating? Please provide the evidence and reasoning behind your answer.

See no requirement for any amendment of the scope and general definitions in Article 1.

Question 5: Do any of the definitions set out in Article 2 of the retained CBER require modification? Please provide the evidence and reasoning behind your answer.

See no requirement for any amendment of the definitions in Article 2.

Question 6: Does Article 3(4)(a) on the 'use of a computerised data exchange system' require updating? If so, how could further clarity be offered? Please provide the evidence

and reasoning behind your answer.

Article 3(4)(a) could be amended to introduce forms of data exchange now commonplace in commercial practice, utilising modern technology, data handling and transmission processes which may not require the usage of prescribed databases or computer-server located information sources.

Question 7: Do any other aspects of the exempted agreements set out in Article 3 of the retained CBER require updating? If so, which aspects need modification? Please provide the evidence and reasoning behind your answer.

None of the other aspects relating to exempted agreements under Article 3 would appear to require amendment.

Question 8: Do you agree with the CMA's recommendation to retain the current hardcore restrictions in the retained CBER in any CBEO? If not, what are the reasons and evidence that would warrant a change to the current hardcore restrictions?

Agree with the CMA recommendation.

Question 9: Would retaining the current hardcore restrictions in any future CBEO present any possible issues for your business or those that you represent? Please provide the evidence and reasoning behind your answer, such as the expected costs or benefits that would accompany the current hardcore restrictions being retained in any future CBEO.

None.

Question 11: Do you agree with the CMA's proposed recommendation to retain the current market share threshold in the proposed CBEO? If not, what are the reasons and evidence that warrant a change to the market share threshold in the proposed CBEO?

Agree.

Question 12: Separate to the 30% threshold, do the other conditions relating to market share set out in Article 5 remain appropriate and useful? If not, which aspects need modification? Are there any other changes that you consider should be made?

Yes – appear appropriate.

Question 15: Do you agree with the CMA's proposed recommendation that the current provisions of Article 6 of the retained CBER be maintained in any future CBEO? If not, what are the reasons and evidence that would warrant a change to these provisions?

Agree.

Question 16: The CMA invites views from interested stakeholders on the possibility of a CBEO without a fixed expiry date.

Open-ended application would be appropriate as long as at least 5 yearly review processes were introduced into the operation of the CBEO.

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