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Monday 9 August

Mr Andrea Coscelli  
Chief Executive  
Competition and Markets Authority  
The Cabot  
25 Cabot Square  
London  
E14 4QZ

Dear Mr Coscelli,

I am writing on behalf of the British Chambers of Commerce and the Chambers Network to urge the Competition and Markets Authority to initiate a formal investigation into the operation of the international shipping and sea freight container hire market as it impacts upon businesses in the UK.

Across the UK, the 53 Accredited Chambers that make up our network are trusted champions of businesses, places, and global trade. Together, we represent tens of thousands of businesses of all shapes and sizes, which employ almost six million people across the UK. Our growing Global Business Network also connects exporters with over 75 markets around the world.

Over the past year and particularly in relation to the last few months, companies using sea freight and containers to bring in goods, have faced enormous rises in prices quoted as well as inconsistent availability of containers from Asia-Pacific region bound for the UK.

The BCC's Quarterly Economic Survey covering the period between April and the end of June this year found member companies facing a seven-fold increase in container hire costs from China compared with previous market conditions a year or so ago. Many companies reported concerns with rising costs and lack of availability of containers for sea freight. There is little sign of any imminent market correction leading to structural problems with the market in sea freight from Asia-Pacific in our view. The European Central Bank and the Organisation for Economic Co-operation and Development believe the market may however be behaving more cyclically.

Given the continuing nature of the disruption we believe the time is right for the CMA to launch a full investigation into this market's impact on UK businesses to review both the

quantitative and qualitative evidence outlining the disruption shipping costs and availability are having for UK businesses.

We look forward to the opportunity that would provide to outline the mounting evidence from our members. We look forward to hearing your decision on our request that you conduct a full investigation into this market at the earliest opportunity.

Yours sincerely,

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