



**competition commission**  
*south africa*

Media Statement  
For Immediate Release  
19 January 2018

**COMMISSION WELCOMES APPROVAL OF NYK, MOL AND KL SHIPPING JV  
MERGER BY THE TRIBUNAL**

The Competition Commission welcomes the decision of the Competition Tribunal on 16 January 2018 to approve, with conditions, the merger between Nippon Yusen Kabushiki Kaisha (“NYK”), Mitsui O.S.K. Lines Ltd (“MOL”) and Kawasaki Kisen Kaisha Ltd (“KL”).

The merger, which is a global integration of mainly the container liner shipping businesses of the three companies into a joint venture called Ocean Network Express (“ONE”), was initially prohibited by the Commission on 19 June 2017. The Commission’s concerns, in essence, were that the merger would lead to collusion in the container liner market as well as facilitate collusion in the adjacent markets for car carrier services and bulk shipping services. Thus, the merger would result in a likely prevention or lessening of competition. The Commission prohibited the merger as the parties could not agree on appropriate remedies during the Commission’s investigation.

The merging parties filed an application with the Tribunal on 3 July 2017, requesting the Tribunal to consider the prohibition of the proposed merger, and to approve the proposed merger unconditionally, alternatively to approve it subject to certain conditions which the merging parties tendered as part of their application.

The Commission subsequently proposed more stringent conditions that significantly prevent future prospects for coordination. The conditions impose extensive reporting and compliance obligations on the merging parties. The conditions also prohibit the merging parties from exchanging confidential information regarding their respective car carrier and bulk shipping businesses. This includes a prohibition on the receiving of such confidential information by the newly formed joint venture.

Further restrictions which prevent the directors, management and employees of the container liner shipping business from involvement in the car carrier and bulk shipping businesses and vice versa, were imposed. The merging parties are required to develop, adopt and implement a policy to ensure compliance with the provisions of the Competition Act.

The main conditions will endure for as long as the container liner joint venture between the merging parties remains in place.

The Commission is satisfied that these remedies are appropriate and that the remedies will eliminate the risk of potential collusive coordination in the affected markets.

[ENDS]

**Issued by:**

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