

Port equipment merger raises competition concerns

Cargotec and Konecranes both offer a range of container handling equipment and services to port terminals and other industry customers worldwide.

Following a fast-track referral to a phase 2 investigation, the Competition and Markets Authority (CMA) has provisionally found that the merger would lead to a significant reduction in competition in the supply of a range of container handling equipment products.

The CMA's in-depth investigation has analysed a wide range of evidence, including data on bidding for previous contracts and many of the merging businesses' internal documents that show how they assess competition in the sector. The CMA has also engaged with a wide range of customers, competitors and other industry players to inform its provisional findings.

The evidence gathered by the CMA consistently shows that Cargotec and Konecranes are both major suppliers of container handling equipment, competing closely for business in the UK, and that UK customers would have few remaining alternative suppliers after the merger. While Cargotec and Konecranes have suggested that there would be an increased competitive threat from Chinese suppliers in future, the independent inquiry group found that this would not be sufficient to prevent the significant loss of competition that the merger of two key established suppliers would bring about.

Martin Coleman, Chair of the CMA inquiry group, said:

Container handling equipment plays a key role in the smooth running of UK ports, moving millions of containers each year to make sure that goods arrive safely on our shelves and British businesses are able to supply their customers overseas.

This is the first phase 2 investigation that the CMA has conducted in parallel with a review by the European Commission since we left the EU, and this has allowed us to focus specifically on how the merger affects people and businesses within the UK.

We are currently concerned that this merger could lead to a reduced quality of service or higher prices for port terminals and other customers of container handling equipment. Our competition concerns need to be addressed to ensure that these customers are not worse off as a result of the deal, and there is no negative impact on UK consumers and businesses.

The deal is being reviewed by a number of competition authorities. While each investigation is being carried out independently, the CMA has engaged closely with other agencies – and continues to do so – to help progress its

investigation.

The CMA welcomes responses from interested parties to its provisional findings by 17 December 2021 and its notice of possible remedies, which sets out potential options for addressing its provisional concerns, by 10 December 2021. These will be considered ahead of the CMA issuing its final report, which is due by 1 April 2022.

For more information, [visit the Cargotec Corporation / Konecranes Plc Merger Inquiry case page](#).

1. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.
2. The CMA provisionally found that the anticipated merger would lead to significant lessening of competition in the following areas: the supply of certain types of gantry cranes (rubber tyred gantry cranes, automated stacking cranes); mobile equipment (reach stackers, heavy-duty forklifts and empty container handlers); and straddle and shuttle carriers.