

February 19, 2013 4:57 pm

Eurotunnel ferry entry showdown looms

By Rose Jacobs

British and French regulators are lining up for a showdown over Eurotunnel's attempts to enter the ferry market, after the UK Competition Commission said the channel tunnel operator could drive up prices.

In provisional findings, the commission said Eurotunnel's purchase of three ferries from SeaFrance, which collapsed into bankruptcy in late 2011, would "increase its already high share of the cross-Channel market".

It added: "Given that the company already holds a market share of over 40 per cent, we're concerned that customers could lose out."

Eurotunnel bought the three vessels to launch its own service, called MyFerryLink. French regulators last year cleared the purchase but raised concerns about its impact on competition in the freight market and barred Eurotunnel from cross-selling freight services on ferry and rail for five years.

P&O Ferries, which controls about a third of the Dover-Calais ferry market for leisure and freight, said that decision was "politically expedient" in reference to the French jobs that were saved by the deal.

The Competition Commission will publish a final report in mid-April after reviewing feedback to its provisional findings and also considering the impact on SeaFrance's former employees.

Eurotunnel said on Tuesday it would challenge the CC's findings: "The creation of a new competitor in the cross-Channel marketplace, MyFerryLink, constitutes an increase in competition and brings additional choice for customers."

The CC also raised concerns that excess capacity on the Dover-Calais crossing could cause one of the independent operators to quit the market, further denting competition there.

Content recommended for you

Based on your browsing history

Techs lead Milton Keynes revival

Confident assessments of 'need' are set to make us poorer

Britain in knots over infrastructure

CP shares up as chief projects record year

UK high-speed railway

Fast track: France, Japan, S?Korea, Spain

Advantages of HS2 divide MPs

HS2: growth engine or fast train for fat cats?

We need HS2 to boost our recovery

Heathrow left out of rail plans

Printed from: <http://www.ft.com/cms/s/0/86e9c972-7aae-11e2-915b-00144feabdc0.html>

Print a single copy of this article for personal use. Contact us if you wish to print more to distribute to others.

© **THE FINANCIAL TIMES LTD 2013** FT and 'Financial Times' are trademarks of The Financial Times Ltd.