

Food Storage and Distribution Federation comments on the Eurotunnel/SeaFrance merger inquiry

I have had comments from four member companies:

- Eurotunnel now has more influence in the total cross channel market. The major concern would be its power to influence prices for both ferries and the tunnel.
- Eurotunnel claims the ferries are operated by a separate company, however invoicing for the ferries is done by Eurotunnel.
- The assets have been 'transferred' and this process lacks transparency.
- When the tunnel was built the ferry companies were not allowed to be preferred bidders, because of concerns over competition. The other way round, what is the difference now?

I confirm that Eurotunnel have already purchased three of the SeaFrance vessels and supposedly leased them to the workers co-operative company which commenced operations in August as 'My Ferry Link'.

Eurotunnel alleged they have no involvement in the operation of this company – however My Ferry Link invoices arrive in a Eurotunnel franked envelope!

On balance, I am in favour of another player on the Channel as this should help to hold down rates in the short term.

However, I am a little apprehensive regarding Eurotunnel's longer term intentions.

The main issue is who is paying for the take over? The French government via SNCF or another agency backed by the French Government? Then not really fair if it is a way of keeping the employment on a company which has failed for years under the power of French Unions? Under Eurotunnel it is difficult to see how neutral will be the position of this ferry company in terms of fair competition....

Will be very disappointed if Eurotunnel are allowed to operate or take over and shut down what was left of the SeaFrance business. There is little enough competition without Eurotunnel holding another gun to our head. Anyway it's not so long ago they were in trouble themselves I cannot think of one good reason why it would help our business.