

# NEWSLETTER

*Connecting You to the Future of Shipping. Discover, Engage, Inspire!*

## ANTITRUST LAW IN THE SHIPPING INDUSTRY

**JUNE: 2025**  
**Volume 08**

## INSIDE THIS ISSUE

### *Seasonal Harvests*

*Building on our last edition, this newsletter provides further insights into key seasonal products, highlighting the **Bahrain seasonal harvest** in this issue.*

### *An essential guide to shipping incoterms*

*This edition continues our exploration of vital shipping documents, focusing specifically on the **CIP** used in maritime transport.*

### *Global Freight Trends: Monthly Snapshot*

*The **News head** section brings you a roundup of important developments and news across the industry.*

Antitrust law or competition law in shipping governs how companies in the maritime sector compete, aiming to prevent collusion, monopolistic behavior, and practices that harm fair market competition. This law is categorized into 3 heads namely Horizontal Co-operation, Vertical Co-operation & Monopolization.

Horizontal co-operation is the collaboration among the competitors in same level. For example, collaboration between two shipping lines or could also be a mutual decision between two freight forwarders that leads to price fixing, coordinated capacity management, market allocation, group boycotts & bid rigging. Antitrust law ensures that cooperation among carriers does not put the customer on back foot.



Mr. Shahil Kote,  
DGM - Capeline DXB

On the other hand, vertical co-operation is the collaboration between the companies operating at different levels. For example, this could be understanding between a shipping line & a forwarder or a shipping line & a terminal operator. The parties involved could be anybody in the supply chain process including but not limited to shipper lines, terminal operators, freight forwarders, inland transport provider etc. Even though this co-operation can improve efficiency in the process at time, it is closely monitored to avoid exclusive dealing, preferential treatment, tying arrangement & resale price restriction.

The last category under the antitrust law is Monopolization. As the word explains itself, this applies to individual action without a requirement or agreement with another party. Monopolization could include refusal to deal, deal termination, predatory pricing & dual distribution.

While certain collaborative arrangements are allowed under regulatory exemptions—such as the EU Consortia Block Exemption Regulation or U.S. Shipping Act—these are subject to strict conditions and ongoing review. An industry where vessel-sharing agreements, consortia, and alliances are common, authorities in major jurisdictions closely monitor whether such cooperation distorts competition, particularly during periods of high freight rates or capacity shortages. Violations of antitrust laws can lead to severe penalties, including fines, legal actions, or bans on operating in certain markets. For shipping companies, strong internal compliance programs and legal oversight are essential to make sure we act within the legal boundaries in global trade.

# WHAT IS A CERTIFICATE OF LETTER OF CREDIT?

A **Letter of Credit (LC)** in shipping is a financial instrument issued by a bank on behalf of a buyer, guaranteeing that the seller will receive payment for the goods shipped, provided that the terms and conditions outlined in the LC are met. It is commonly used in international trade to reduce the risk for both parties, ensuring that the seller receives payment once they present the required documents proving shipment and compliance with the contract, and the buyer only pays when the goods have been shipped as agreed.

## A letter of credit typically includes:

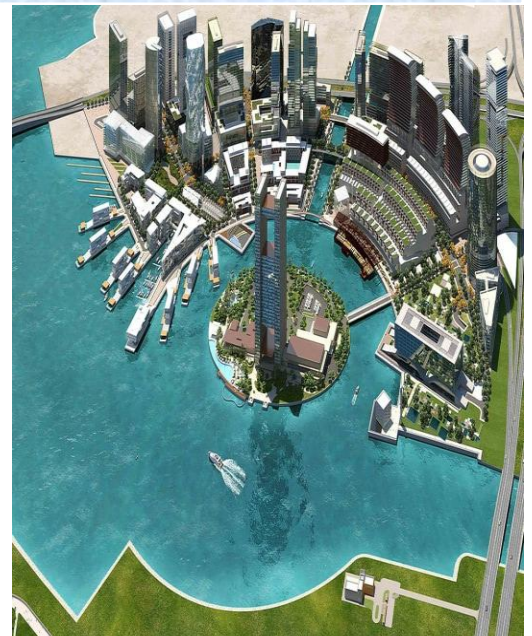
- ❖ Names & addresses of the buyer and seller
- ❖ Description of Goods and quantity
- ❖ Payment amount & currency
- ❖ Expiry date of the LC
- ❖ List of required documents ( e.g., BL, Commercial Invoice, Packing list, Certificate of origin)
- ❖ Terms of payment
- ❖ Bank details

# SEASONAL SPOTLIGHT: SEE WHAT'S GROWING!!!

**Bahrain** is a small island nation located in the Persian Gulf, east of Saudi Arabia and connected to it via the King Fahd Causeway. Despite its limited landmass, Bahrain plays a significant role in the region due to its strategic location, diversified economy, and rich cultural heritage. Known for its financial services, tourism, and historical pearl diving industry, Bahrain has also made notable strides in modern infrastructure and agricultural sustainability. With a hot desert climate, the country experiences two distinct seasons: a scorching summer (May to September) with high humidity, and a mild winter (November to March), which is more favorable for agricultural activities. To combat the challenges posed by limited arable land and water resources, Bahrain has embraced innovative farming techniques, including hydroponics and climate-controlled greenhouses, to ensure year-round crop production.

## Seasonal Produce in Bahrain:

- ✓ **Dates** (Summer - June to August)
- ✓ **Tomatoes** (Winter - November to March)
- ✓ **Cucumbers** (Winter - November to March)
- ✓ **Leafy Greens** (Winter - November to March)
- ✓ **Zucchini and Eggplant** (Late Winter to Early Spring - February to April)



*More related on next edition>>>*



# UNDERSTANDING DIFFERENT TYPES OF PASSENGER SHIPS



**Ferries:** Ferries are commonly used for short-distance travel, transporting passengers—and often vehicles—between ports, such as across rivers, coastal areas, or narrow sea passages. They serve as vital links for commuters and cargo in regions without bridge or tunnel connections.

**Cruise Ships:** These are large vessels designed for pleasure voyages, where the journey itself and onboard amenities are part of the experience. Often compared to floating hotels, cruise ships offer entertainment, dining, accommodations, and excursions at various ports of call.

**Liners:** Ocean liners are built for long-distance travel between continents, typically on fixed schedules and routes. Unlike cruise ships, liners are constructed to withstand rough sea conditions and are used less frequently today.

**Pilgrimage Ships:** These vessels are designed to transport large groups of people to religious destinations. They are typically chartered for specific religious events or pilgrimages and may have specific arrangements for the comfort and needs of pilgrims.

**Cross-Channel Ferries:** Operating between countries separated by narrow bodies of water (e.g., English Channel), these ferries are capable of carrying both passengers and vehicles, often including facilities like lounges and cafeterias.

**Coastal Ferries:** Serving routes along the coastline, these vessels are essential for connecting remote communities, especially in archipelagic or rugged coastal regions.

**Harbour Ferries:** Used for short distances within ports or across harbours, they provide convenient, often frequent, transportation for urban commuters and tourists.

**Arctic and Antarctic Cruises:** These specialized cruise ships are built to navigate icy waters and extreme climates, offering expedition-style travel experiences to the polar regions with a focus on nature, wildlife, and adventure.

*More related are headed way in the next edition>>>*

## “EXCITED TO DIVE DEEPER”

**CIP INCOTERM**, "Carriage and Insurance Paid to," is one of the 11 Incoterms defined by the International Chamber of Commerce, with the latest update published in January 2020. Under this term, the seller is responsible for arranging transportation and insurance for the goods up to the designated destination, typically the **first port in the buyer's country**, though not necessarily the terminal. It is widely recognized and accepted in global trade, with endorsement from governments and international authorities.

CIP closely resembles the CPT (Carriage Paid To) term, with the key distinction being that the seller must also provide **insurance coverage** in addition to transportation. It is particularly suitable for **multi-modal transport**, involving more than one mode of shipping. Importantly, the **risk transfers from the seller to the buyer** once the goods are handed over to the first carrier at the agreed point, not when they arrive at the destination.



## RARELY NOTED POINT

Maersk's acquisition of **Hamburg Süd** was **announced in December 2016** and the deal was **officially completed in November 2017**. This \$4 billion acquisition helped Maersk expand its presence in global trade lanes, particularly in the North-South markets.





# “ORIGINS OF SEABORNE COMMERCE”

## Innovations in Shipbuilding: The Age of Exploration

The **Age of Exploration**, spanning the 15th to 17th centuries, marked a transformative period in maritime history, driven by remarkable advancements in shipbuilding and international trade. European explorers like **Vasco da Gama** and **Christopher Columbus** embarked on groundbreaking voyages that reshaped global geography and commerce. Central to their success was the development of the **caravel**, a small, highly maneuverable sailing ship equipped with lateen sails, which allowed for better navigation against the wind. These innovations enabled explorers to venture into previously uncharted waters, opening up new trade routes, connecting continents, and laying the foundation for a global maritime economy.

## How Exploration Transformed Global Trade

The Age of Exploration revolutionized global trade by opening up new trade routes and introducing a vast array of goods to European markets. The trans-Atlantic trade, in particular, had a profound impact, as European powers established colonies across Asia, Africa, and the Americas to facilitate the exchange of valuable commodities such as precious metals, tobacco, spices, sugar, and cotton. This period also marked the beginning of the triangular trade system, which involved the movement of goods, enslaved people, and raw materials between Europe, Africa, and the Americas. Additionally, the expansion of maritime navigation and the rise of powerful naval fleets laid the groundwork for the complex international trade networks that continue to support the global shipping and logistics industries today.

*Stay tuned for more next edition>>>*

# “LITTLE-KNOWN FACT”

## Half-Height Containers



Half-height containers are specialized intermodal units that stand approximately 4 feet tall—half the height of a standard shipping container. Engineered for transporting heavy, dense, or bulky materials that don't require full-height capacity, these containers are especially popular in the **mining, construction, and metal industries**. They are ideal for items like **coal, gravel, scrap metal, and machinery**, providing a robust and secure transport option. Their reduced height enables easier loading and unloading, often using **overhead cranes**, and they conform to **ISO standards**, making them suitable for **road, rail, and sea** transport. Their compact build optimizes space while maintaining structural strength, making them a smart, efficient choice for dense cargo movement in challenging environments.





## Gulf Shipping Rates Ease as Israel-Iran Ceasefire Stabilizes Region

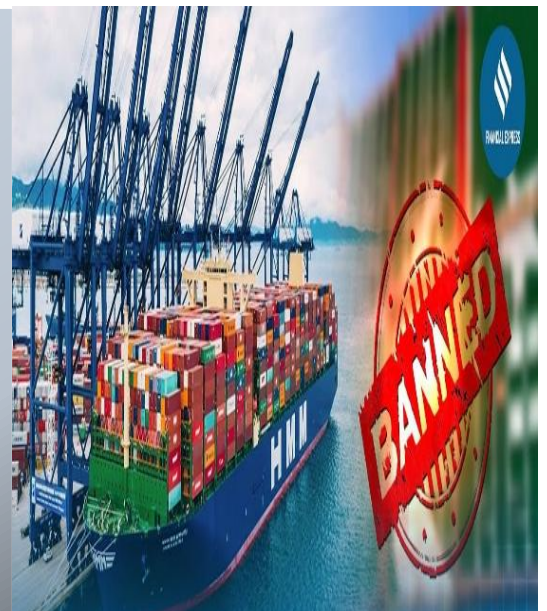
Shipping costs in the Gulf have declined over the past two days following a ceasefire agreement between Israel and Iran, offering temporary relief to global freight and energy markets. Spot charter rates for Very Large Crude Carriers (VLCCs), which had surged to over \$60,000 per day earlier in the week due to escalating tensions, have now eased to approximately \$50,000 per day. The de-escalation has also led to a drop in war risk insurance premiums for vessels transiting the Gulf, with rates falling from a peak of 0.5% to between 0.35% and 0.45%, potentially saving tens of thousands of dollars per voyage. Greece's Ministry of Shipping has relaxed its security advisory for Greek-flagged vessels passing through the Strait of Hormuz, citing improved conditions in the region.

Despite the short-term stability, industry experts remain cautious. While insurers are gradually re-entering the market and freight rates are stabilizing, the overall environment remains volatile. Iran's Supreme Leader, Ayatollah Ali Khamenei issued a warning that Iran would retaliate against U.S. military bases in the region if provoked again, underlining the fragility of the current truce. Stakeholders in the shipping and insurance sectors are closely monitoring developments, aware that any renewed hostilities could quickly reverse the current downward trend in costs and reintroduce uncertainty to the region.

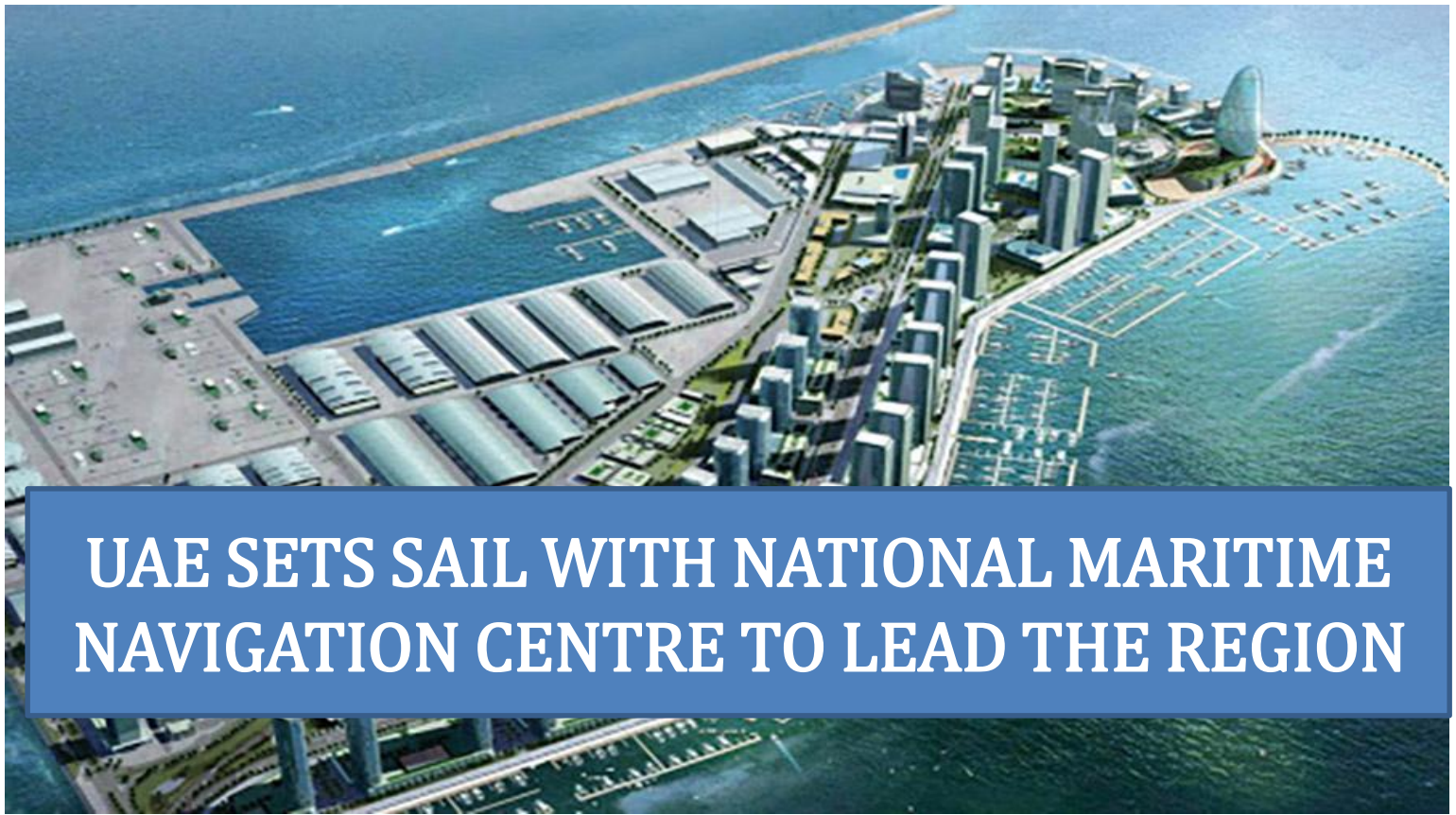


## India's Ban on Vessels with Pakistani Cargo Triggers Shipping Delays and Cost Surge: Report

India's recent ban on ships carrying Pakistani goods from docking at its ports—imposed on May 2, 2025, following the Pahalgam terror attack—has led to a surge in freight charges and increased transit times, according to a report by Dawn. Pakistani importers revealed that the move has caused mother vessels to avoid Pakistani ports, forcing reliance on slower and more expensive feeder vessels, delaying shipments by 30 to 50 days. Exporters also noted higher shipping and insurance costs, though the overall impact on export volumes remains limited. The report highlighted that Pakistan's export sector, which depends heavily on imported raw materials for value-added goods, faces added pressure due to these disruptions. With formal trade ties between India and Pakistan frozen since 2019 and bilateral trade volumes continuing to decline—from \$2.41 billion in 2018 to \$1.2 billion in 2024—the ban marks another setback in already strained commercial relations.







# UAE SETS SAIL WITH NATIONAL MARITIME NAVIGATION CENTRE TO LEAD THE REGION

The new Centre will oversee the Integrated National Maritime System to monitor vessel traffic and manage the National Maritime Single Window, streamlining procedures and boosting the efficiency of maritime operations.

Suhail bin Mohammed Al Mazrouei, Minister of Energy and Infrastructure, announced that the establishment of the National Maritime Navigation Centre aligns with the UAE's strategic vision to create a sustainable, innovative, and integrated maritime ecosystem. As part of the Ministry of Energy and Infrastructure, the centre will oversee the Integrated National Maritime System for traffic monitoring and manage the National Maritime Single Window to streamline procedures and boost operational efficiency. The Minister emphasized that the centre marks a major advancement in the UAE's maritime infrastructure and will serve as a collaborative platform for all stakeholders, reinforcing the sector's contribution to the national economy.

Al Mazrouei highlighted that the centre will play a critical role in enhancing maritime safety and security, preventing harmful practices through advanced technologies, and supporting scientific research to guide policy and decision-making. It will also improve coordination across maritime entities, unify national policies, and ensure alignment with global safety and security standards. By reducing regulatory complexities and introducing specialised training and research programs, the centre aims to build local expertise and empower national talent in maritime fields.

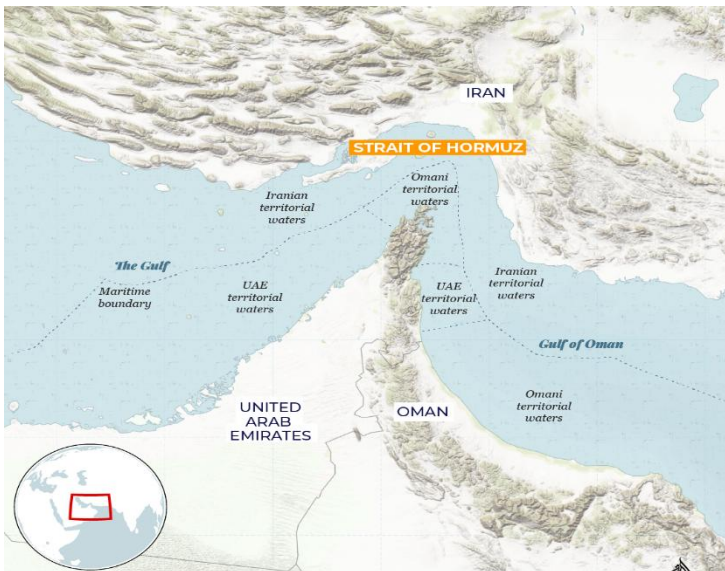
Hassan Al Mansouri, Undersecretary for Infrastructure and Transport Affairs, noted that the centre will support the development of forward-looking maritime policies, leveraging smart monitoring and planning systems to strengthen the UAE's global maritime leadership. With world-class infrastructure and a strategic location on key trade routes, the UAE is well-positioned to drive international trade and logistics. The new centre is expected to not only enhance service quality and operational efficiency but also contribute significantly to environmental sustainability and long-term sector growth.

**Is the fragile  
ceasefire putting the  
Strait of Hormuz  
back to risk?**

**Continued on the next page**

# Ceasefire uncertainty rekindles fears over Strait of Hormuz Stability

The tenuous ceasefire between Israel and Iran has done little to ease mounting concerns over the potential closure of the Strait of Hormuz, a key global trade artery. Despite the ceasefire announcement, renewed hostilities between the two nations—coupled with exasperated remarks from former U.S. President Donald Trump criticizing both sides—have deepened uncertainty in global supply chains and the maritime sector. Analysts warn that if Iran moves to block the strait, it could deliver a severe blow to oil, gas, and container shipping operations, with ripple effects across global markets. Antonella Teodoro of MDS Transmodal emphasized that while the shipping industry has adapted to ongoing geopolitical volatility, a complete disruption at Hormuz would strain regional logistics hubs like Jebel Ali, which already face connectivity challenges due to Red Sea instability. Long-term solutions such as the Gulf Railway and multimodal corridors may eventually offer relief, but in the short term, container services could be rerouted, suspended, or forced to rely on limited feeder networks. Teodoro concluded that the region's heavy dependence on narrow maritime corridors exposes a deep vulnerability that may prompt a strategic shift in global logistics planning.



## Dubai Champions Digital Trade Integration with Landmark and DP World Collaboration

At the Seatrade Maritime Logistics Middle East event, Landmark Group, one of the region's largest retailers, praised Dubai's leadership in digital transformation, naming the UAE a benchmark for seamless, tech-driven logistics. Ashish Sood, Landmark's Chief Supply Chain Officer, highlighted Dubai's efficiency compared to other GCC nations, noting that digital coordination across customs, ports, and shipping lines has simplified trade processes significantly. This digital edge influenced Landmark's decision to use Jebel Ali as its logistics hub for the GCC.

DP World's Mohamed Abu Hamra emphasized the need to move beyond fragmented trade systems by unveiling plans for a unified multimodal digital platform. This initiative will integrate air, sea, and land logistics, combining services from Emirates SkyCargo, Dnata, and DP World's port facilities. The goal is to eliminate trade inefficiencies, reduce reliance on intermediaries, and offer a streamlined, consumer-friendly experience—from global shipping to doorstep delivery.



# Jeddah Accelerates Logistics Growth with Major Expansion Plans

Jeddah Islamic Port is pushing forward with its logistics expansion plans following the official inauguration of DP World's state-of-the-art South Container Terminal in March, marking the completion of a three-year, SAR3 billion (\$880 million) transformation project. The terminal's capacity has more than doubled—from 1.8 million to 4 million TEU annually—with the potential to reach 5 million TEU as demand grows. Equipped with 14 quay cranes, and expected to have 17 by the end of 2025, the expanded facility can now accommodate five ultra-large container vessels simultaneously. DP World is also developing a SAR900 million Jeddah Logistic Park and expanding reefer capacity to 2,340 slots, along with establishing Saudi Arabia's largest port-centric reefer inspection facility. Despite shipping challenges in the Red Sea region, the long-standing partnership between DP World and Jeddah continues to align with Saudi Arabia's broader vision for modernizing and diversifying its logistics infrastructure.



## AD Ports and ASRY to Form Joint Ventures in Shipbuilding, Recycling, and Port Operations



AD Ports Group and Bahrain's Arab Shipbuilding & Repair Yard Company (ASRY) have expanded their strategic partnership by signing three new heads of terms, following the successful launch of their marine services joint venture, ASRY Marine. The first agreement outlines plans to establish a joint venture focused on managing shipyards and drydocks, leveraging both parties' existing assets to enhance regional capabilities and explore global opportunities. A second agreement sets a collaborative framework to pursue joint investments in ports and terminals, with dedicated working groups identifying viable projects to strengthen maritime infrastructure.

In a move toward sustainable maritime practices, AD Ports and ASRY also signed an agreement with India's JM Baxi Group to develop environmentally focused ship recycling facilities. This initiative aims to support a circular economy by repurposing ship components, reducing waste, and cutting carbon emissions. AD Ports CEO Capt. Mohamed Juma Al Shamisi emphasized the importance of green ship retirement practices, while ASRY CEO Dr. Ahmed Al Abri highlighted the ambition to expand shipbuilding and drydocking expertise across the GCC. The ASRY Marine venture, which began operations in February with the arrival of four AD Ports tugs, is expected to evolve into a full-service maritime offering, marking Noatum Maritime's international debut.





# “BEYOND THE BUSINESS BEAT”

In observance of **Anti-Drug Day**, our entire office came together to take a formal **pledge against drug abuse**, reinforcing our collective commitment to a healthy, safe, and productive work environment. Alongside the pledge, we organized an awareness session highlighting the harmful effects of drug use on individuals, families, and society. Informational materials were distributed, and posters were displayed throughout the workplace to encourage ongoing awareness. This initiative reflects our dedication to promoting employee well-being, supporting a drug-free lifestyle, and contributing to a more responsible and informed community.

**ANTI-DRUG DAY 2025 theme :“Breaking the chains: Treatment, Prevention and Recovery for All.”**



Awareness,  
Responsibility  
Commitment



## Our People, Our Pulse: Our Passion & Performance

Celebrating 7 years of excellence in connecting boundaries and enriching lives, we take pride in the journey that has shaped our growth and impact. This milestone reflects our unwavering commitment to innovation, service, and collaboration. We extend our heartfelt **gratitude to our partners**, whose trust and support have been instrumental in this success. Together, we look forward to reaching new horizons and continuing to build a future of shared progress.



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