Press release

Government to suspend competition law to support Isle of Wight ferry routes

Competition law to be temporarily suspended to allow ferry operators to maintain a crucial lifeline between the island and the mainland.

Published 27 March 2020

From:
Department for Transport, Department for Business, Energy & Industrial Strategy, The Rt Hon Grant Shapps MP, and The Rt Hon Alok Sharma MP

- Business Secretary to waive competition law for vital Isle of Wight crossings
- ferry operators allowed to coordinate to keep routes open and essential goods flowing
- part of measures to support communities and businesses impacted by coronavirus

The government is temporarily suspending competition law to allow ferry operators in the Isle of Wight to work together and maintain a crucial lifeline between the island and the mainland during the COVID-19 outbreak.
The COVID-19 outbreak has significantly reduced demand for the day-to-day services provided by the 3 operators, Hovertravel, Wightlink and Red Funnel. Possible staff absences due to self-isolation and illness are also likely to pose a challenge to keeping these essential ferry services going.

The relaxation of rules under the Competition Act 1998 will help ferry operators to continue to run essential services despite reduced usage during the virus, maintaining a vital route for those who cannot work from home and those needing medical treatment.

It will also mean the operators can work together to allow for essential food, freight and medical supplies to be transported between the Isle of Wight and the mainland.

The operators will be able to discuss and agree routes and coordinate staff resourcing to ensure that ferries will still run regularly across the Solent, delivering a critical service on which Isle of Wight residents depend.

Business Secretary Alok Sharma said:

Ferry operators provide an absolutely vital service to the Isle of Wight, and it is more important now than ever that this crucial lifeline is kept open.

Our plans to temporarily suspend competition law will allow cooperation between the operators to ensure that essential food, freight and medical supplies can get to the island during these unprecedented times.

Transport Secretary Grant Shapps said:

By taking action today, we are helping ensure people, goods and services can continue to move freely between the Isle of Wight and the mainland.

These routes remain fundamental to people’s everyday lives and this action underlines the government’s commitment to support transport operators providing vital services at this difficult time.

Notes to editors

Secondary legislation temporarily suspending elements of the Competition Act 1998 for Isle of Wight ferry operators will be laid today (Friday 27 March).

The Competition Act 1998 prohibits certain types of anti-competitive behaviour, including collusion and cartels. This covers agreements between businesses that prevent, restrict or distort competition. This can, for example, include price-fixing, sharing pricing information and sharing markets.

In the Act (paragraph 7 of schedule 3) there is a mechanism to allow the Secretary of State to exclude this prohibition – the one that covers agreements between businesses that prevent, restrict or distort competition – in exceptional and compelling reasons of public policy.
Topical events