JOURNAL of COMMERCE
Monday June 29, 2026 | Welcome mszakonyi.

JOC ! MARITIME NEWS ! CONTAINER LINES

Commentary

European Union fails to check China's maritime ambitions

August J. Braakman shipping advocate| June 29, 2026 at 10:50 AM EDT

Introduction

The European Commission (EC) abstains from its legal obligation to implement European Union (EU) antitrust law out of its own accord with regard to China-EU seaborne trade. In order to consolidate and enhance its position in the EU, China pursues control of the shipping routes and ports of call by which China-origin goods are transported to land-based EU destinations.

The EU is China's second-largest trading partner. Bilateral trade reaches approximately €759 billion ($865 billion), with the EU exporting €199.6 billion and importing €559.4 billion. China's exports to the EU represent 3.5 to 4.5% of its GDP.

China-EU seaborne trade and traffic

The Strait of Hormuz is the Middle Eastern gateway for China-EU seaborne trade. Iran essentially supervises and monitors the passage. The Western part of the Bering Strait is the vital gateway for the Northern Sea Route. Russia supervises and monitors the passage.

China, Iran and Russia have consolidated their military cooperation by creating the Triangular Alliance.
This alliance supports China-led forms of economic cooperation such as the Shanghai Cooperation Organization (SCO), BRICS and the Belt and Road Initiative (BRI) in their attempts to end hegemony of the US in global affairs. All three countries are members of those organizations.

The route from China to Europe via the Northern Sea Route is 8,000 km shorter than via the south. This accounts for time savings up to 40%. Predictions for large-scale navigability in the summer range from 2030 to 2050 to (in extreme scenarios) an ice-free status in late summer starting from 2027.

Climate change and Russian nuclear-powered icebreakers allow China to optimize China-EU transport organization by effectively commercializing the Northern Sea Route. China will accelerate this process in any manner whatsoever.

Cosco terminal acquisitions

Cosco is a Chinese state-owned enterprise (SOE). In implementing its business strategies, it relies on preferential access to credit provided by Chinese financial institutions.

In 2016, Cosco's credit facilities allowed for acquisition of majority control over the marine container terminals at the Greek port of Piraeus. This makes Piraeus an important port-of-call for China-origin goods passing the Strait of Hormuz. On June 19, 2023, those same credit facilities allowed Cosco to acquire 24.99% shareholding in the portion of the Port of Hamburg where freight flows between China and the EU are concentrated. This makes Hamburg an important port of call for China-origin goods passing the western part of the Bering Strait.

China is likely to turn this into a concerted and convergent trade channel for export of China-origin goods to the EU. To that end, Cosco will conclude end-to-end contracts with European customers at an all-in price on: seaborne transportation of China-origin goods to the Port of Piraeus or to the portion of the Port of Hamburg dominated by Cosco; subsequent terminal handling and processing in those ports; and transportation to land-hubs where the goods are delivered to the customer. In each contract, Cosco will stipulate to have the final say in deciding whether the northern or the southern route applies and thus which of the two above ports will be used as EU hub port.

The following issues require careful scrutiny under EU antitrust law

1) The relevant market in which Cosco operates is the market for containerized liner shipping end-to-end services from seaports outside the European Economic Area to land-based destinations within the EU. The condition that the Port of Piraeus or the Port of Hamburg serves as the single authorized EU port of call demonstrates that Cosco aims at supplying China-origin goods to the EU in a way that has distortions of competition between EU-based container marine terminals and significant affectation of patterns of trade between EU member states, for object or effect.

2) Cosco's preferential access to China's credit facilities is used for forcing down to an almost non-commercial level the aggregate amount paid by EU customers, by lowering the price of seaborne traffic and/or of terminal handling and subsequent processing and/or of transport of the goods to final land-based destinations.

3) Assessment under EU antitrust law demonstrates that the above scenario creates reasonably foreseeable long-term market distortions and significant changes in trade patterns between EU member states.

The EU Commission is entitled to intervene in order to prevent competition distortions that appear likely to occur in the near future. Interested parties may therefore submit a request or a complaint to the commission for implementation of EU antitrust law with regard to a specific case relating to China-EU seaborne trade and bearing the hallmarks referred to above.

* * *

August J. Braakman is the former Secretary-General of the European Maritime Law Organization. Contact him at aj.braakman@icloud.com