

Asian  
Shipowners'  
Association



24 March 2017

**Representations on Case BE/0004**

**Additional Comments by the Asian Shipowners' Association**

**In Response to Supplementary Representation by the Hong Kong Liner Shipping Association**

The Asian Shipowners' Association ("ASA") appreciates this opportunity to comment on the supplementary representation by the Hong Kong Liner Shipping Association (HKLSA).

The ASA is an organisation of the national shipowners' associations of Australia, China, Chinese Taipei, Hong Kong, India, Japan, Korea and the Federation of ASEAN Shipowners' Associations comprising Singapore, Indonesia, Malaysia, Myanmar, the Philippines, Thailand, Vietnam and Brunei. The ASA membership together is estimated to represent approximately 50% of the world merchant fleet today. The role of the ASA is to promote the interests of the Asian shipping industry and express its views on key issues affecting this industry, such as the importance of continued antitrust immunity for all types of cooperative liner shipping agreements in Hong Kong and other international shipping trades.

As ASA has formerly expressed, participation in both VDAs and VSAs has helped to mitigate wild market instability, provided a forum to exchange and review market data led to more investment, expanded service options, provided access to more ports and sailings, resulted in significant cost savings, greater efficiency, and environmental benefits for the ocean carrier members of ASA. In response to the Commission's original proposal to order block exemption for only VSAs and not VDAs, we believe that HKLSA has proposed a wonderful alternative for the commission to consider adopting; the Revised VDA Scope. As set out in detail in HKLSA's supplementary representation, the Revised VDA Scope expressly eliminates any Hong Kong-specific pricing (including rates and surcharges) discussions and voluntary agreements within VDAs, but permits the discussion and sharing of certain types of information among VDA members relating to the shipping industry, including supply and demand forecasts, utilization and capacity levels, carrier costs, trade growth and development and international cargo flows.

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By adopting the Revised VDA Scope, Hong Kong's competition regime for liner shipping could remain generally consistent with the regime that are applied by Hong Kong's major trading partners while removing the elements of VDAs that the commission most concerns. Not only the Revised VDA Scope bring the benefits just described, it would also help maintaining the competitiveness as an international transshipment centre in Asia, which in the end, brings positive results for customers, consumers, and the economy at large.

For the above reasons, the ASA strongly supports the HKLSA's Supplementary Submission and hopes the Commission to adopt the suggested Revised VDA Scope approach. Once again, the ASA appreciates the opportunity to convey the voice of Asian shipowners on this important issue.

Respectfully submitted  
ASIAN SHIPOWNERS' ASSOCIATION

A handwritten signature in blue ink, appearing to read 'ASA SHIN', enclosed within a blue circular scribble.

Harry Shin  
Secretary General