



Shaping the Future of Shipping

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Submitted via email: [applications@compcomm.hk](mailto:applications@compcomm.hk)  
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Dear Ms Leung,

**CASE BE/0004: COMMISSION PROPOSAL TO VARY (RENEW) THE COMPETITION (BLOCK EXEMPTION FOR VESSEL SHARING AGREEMENTS) ORDER 2017**

Submission by the International Chamber of Shipping (ICS)

**STATEMENT OF INTEREST**

The International Chamber of Shipping (ICS) is the global trade association for shipowners and operators, representing all sectors and trades, including containership operators. Collectively, ICS represents over 80% of the world's merchant shipping tonnage.

The membership of ICS comprises national shipowners' associations from 38 countries/territories, including the Hong Kong Shipowners' Association (HKSOA), while the Asian Shipowners' Association (ASA) is a regional partner of ICS. This submission is therefore made on behalf of the ICS global network of member national associations and their member companies, in response to the proposed renewal by the Hong Kong Competition Commission of the Competition Order 2017 (Block Exemption For Vessel Sharing Agreements) of 5 May 2022.

**ICS SUPPORT FOR THE PROPOSED RENEWAL OF BLOCK EXEMPTION FOR VESSEL SHARING AGREEMENTS ORDER**

ICS welcomes and fully supports the proposal made by the Hong Kong Competition Commission (HKCC) to renew the Competition (Block Exemption for Vessel Sharing Agreements (VSAs)) Order 2017 until 8 August 2026.

ICS agrees with the Commission that the Order remains merited and effective. We further welcome the Commission's conclusion that VSAs continue to provide benefits to consumers and generate economic efficiencies in Hong Kong, by allowing shipping lines to offer broader service coverage and higher service frequency, and by reducing the costs of entry and expansion. The renewal of the Order for the period proposed will further provide the legal certainty and stability required by shipping companies to allow them to respond to the exceptional level of operational challenge posed by the ongoing effects of the pandemic.

As noted in the proposal by HKCC, an extension of the BEO for four years will also secure regulatory consistency with a number of Hong Kong trading partners, including with those jurisdictions which also offer similar exemptions from competition law to VSAs. These include the European Union, Malaysia, Singapore, China, U.S., Canada, Japan, South Korea, Israel, Australia and New Zealand. By establishing regulatory consistency with these trading partners, Hong Kong not only ensures continued connectivity to global shipping networks, but further safeguards the net economic efficiencies which are generated by permitting VSAs, ensuring that the Hong Kong port remains an attractive destination for shipping lines. ICS therefore sincerely welcomes the proposal by the HKCC to renew the Order for VSAs for a period of four years.

In addition to providing the comments above, ICS further supports the complementary separate submissions also being made by the Hong Kong Shipowners' Association (HKSOA), the Asian Shipowners' Association (ASA), the World Shipping Council (WSC) and the Hong Kong Liner Shipping Association (HKLSA) in support of the proposed extension.

## **CLOSING REMARKS**

The proposed renewal of the BEO for an additional four years until 8 August 2026 will provide legal certainty for liner shipping companies and reemphasise Hong Kong's enduring commitment to the sustainability of world trade, while continuing to foster competition, facilitate cost reductions and maximise the efficiency of shipping services. ICS strongly supports the proposed extension period, and is pleased to have provided comments to the Commission during this consultation process.

Yours sincerely,



Simon Bennett  
Deputy Secretary General  
International Chamber of Shipping