



THE HONG KONG SHIPOWNERS ASSOCIATION LTD.

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Comments on Case BE/0004
Competition Commission
Room 3601, 36/F Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

By e-mail : consultation@compcomm.hk

24 March 2017

Dear Sirs,

HKLSA Supplementary Submission

We refer to our submissions dated 23 March and 14 December 2016, and take this opportunity to respond to the invitation of the Competition Commission to comment on the Supplementary Submission of the Hong Kong Liner Shipping Association (HKLSA) dated 27 February 2017.

The Hong Kong Shipowners Association (HKSOA) is conscious that the Supplementary Submission of HKLSA has been made to propose a compromise solution that meets both the needs of the shipping industry and the requirements of the Commission. In this regard, HKSOA fully supports HKLSA's compromise proposal, which contains a more limited exemption for VDAs.

HKSOA notes that the Supplementary Submission proposes to carve out any Hong Kong specific pricing discussions and voluntary agreements within VDAs. HKLSA's Supplementary Submission clearly meets the standards for an exemption in Hong Kong, as well as the principles laid out in HKSOA's submission dated 14 December 2016, whereby local consumers will be protected while the highly competitive nature of Hong Kong's transshipment role is enhanced. Under the revised VDA scope, as proposed by HKLSA, the exchange of market information by VDAs will help achieve significant efficiencies and improve the transportation and distribution of goods to and from Hong Kong.

HKLSA has also laid out some very clear benefits of the enhancement of Hong Kong's transshipment role, and conversely the potential implications of Hong Kong's loss of its attractiveness as a transshipment port. The analysis described in the Supplementary Submission is strongly supported by this Association.

We urge the Commission to accept the arguments put forward by HKLSA, and to continue to work with that Association to find a practical and pragmatic solution that both meets the Commission's requirements and enhances Hong Kong's role as a competitive transshipment port.

Yours faithfully,

Sandy Chan
Managing Director