From: Sent: Wednesday, August 26, 2020 5:49 PM

To: Consultations@compcomm.hk

Cc: Erika Yu; Felix Au

**Subject:** EC/03AY – Hong Kong Seaport Alliance (HKSPA) - CMA CGM

Dear Sir / Madam,

## Ref: EC/03AY - Hong Kong Seaport Alliance (HKSPA)

We agree with the proposed commitments as mentioned in your notice dated 12<sup>th</sup> August concerning the Hong Kong Seaport Alliance but would like to register our request for further commitment based on our feedback as follow.

As mentioned in the document, the Commission acknowledged the potential concerns that the Parties could have an effect to contravene the first conduct rule in Section 6 of the Ordinance ("First Conduct Rule"). Notwithstanding the efficiencies highlighted under point 55, this efficiency gains do not sufficiently satisfy the Efficiency Exclusion of the rule. Although the Parties' proposed commitment could mitigate some of the industry concerns, this however did not fundamentally address why they need the commercial collaborations when these efficiencies can be achieved merely through operational co-ordinations.

Hong Kong's terminal activities have been characterized by high level of transshipment activities involving multiple terminals at the same time. It is this modus of operandi that created the past inefficiency unnecessarily which HKSPA now managed to address through their better planning / sharing of their resources. Such collaborations has nothing to do with the commercial process between the terminals and their respective stakeholders as we have reckoned since the alliance inaugurated.

Considering the spirit of Competition Ordinance is designed to promote competition and prohibit anti-competitive practices, we remain in the view that such commercial collaboration should be removed. Accordingly, we suggest following additional commitment should be added to the proposal:

 to commit that the alliance will collaborate purely based on operations and that each member will not disclose their customer's commercial tariff nor other commercial confidentiality to others.

Seeking your furthering consideration on our comments before the final decision is concluded.

Thanks and kind regards







