

5 May 2022

For Immediate Release

Competition Commission consults on proposed renewal of block exemption order for vessel sharing agreements in liner shipping industry

The Competition Commission (Commission) today (5 May 2022) published a notice on its proposed renewal (Notice) of the block exemption order for vessel sharing agreements (VSAs) between liner shipping companies¹ (Order), which is due to expire in August 2022.

In accordance with section 20 of the Competition Ordinance (Ordinance), the Commission is inviting interested parties to make representations to the Commission on the proposed renewal of the Order for a period of four years.

VSAs are agreements between shipping lines on certain operational arrangements. The Commission issued the Order in August 2017 in light of its assessment of the economic efficiencies generated by this category of liner shipping agreement. The Order declares that activities usually undertaken pursuant to VSAs are excluded from the application of the First Conduct Rule in the Ordinance subject to certain conditions.²

Prior to the publication of the Notice, the Commission has conducted a review into any relevant developments since the issuance of the Order. This included conducting an initial consultation between August and November 2021, during which submissions from various stakeholders were received and considered. The Commission also considered industry data and analytics gathered by an independent industry expert appointed by the Commission, and had discussions with the relevant counterpart authorities as well as key industry stakeholders.

The Commission has reached the provisional conclusion that the activities of VSAs falling within the scope of the Order continue to meet the efficiency exclusion and that the Order continues to be merited and effective. As such, the Commission proposes to renew the Order.

The Notice is available in English and Chinese on the Commission's website at www.compcomm.hk.

Interested parties are invited to submit representations by 6 p.m. on 6 June 2022. **Representations received after this time will not be considered.**

The Commission requests that representations be made in writing and should, preferably, be sent by email to applications@compcomm.hk, with the case reference number BE/0004 quoted in the subject line of the email.

Representations may also be sent by post to:

¹ The *Competition (Block Exemption For Vessel Sharing Agreements) Order 2017*

² See [press release dated 8 August 2017](#)

Representations on Case BE/0004
Competition Commission
19/F, South Island Place,
8 Wong Chuk Hang Road,
Wong Chuk Hang, Hong Kong

Representations received will be posted on the website of the Commission. If a representation contains confidential information, a non-confidential version of the representation should be provided to the Commission for the purpose of uploading to the Commission's website.

Further details on how to make representations or other aspects of this consultation are outlined in the Notice.
