

**SNSC**

新加坡全国配货人理事会  
SINGAPORE NATIONAL SHIPPERS' COUNCIL

28 May 2004

Permanent Secretary  
Ministry of Trade and Industry  
100 High Street  
#09-01 The Treasury  
Singapore 17934

Dear Sirs,

## DRAFT COMPETITION BILL

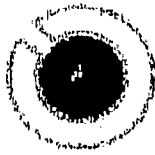
We attended the seminar on the draft competition bill on 7 May 2004 jointly organised by the Singapore Business Federation and MTI. We are glad to know that Singapore is now considering to open up sectors of the economy to competition.

The shippers' have been suffering from the collective action of the cartels on price fixing on freight rates and the long list of surcharges. Our Secretariat has prepared a brief report on the current developments taking place in the rise of the shippers' movement to counter the price fixing cartels, enclosed.

We hope that the MTI will favour the shippers' in the implementation of the Competition Bill in Singapore. Together, as we synchronize our efforts towards strengthening Singapore's competitiveness, we hope the Competition Bill will change the course and fate of shippers. Please do not hesitate to contact us should you require further clarifications.

Yours sincerely

John Y Lu  
Chairman



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## **DRAFT COMPETITION BILL**

The Singapore National Shippers' Council (SNSC) in the last 30 years has been championing shippers' interest in combating the conferences and rate agreements on all issues, including freight rate increases and the long list of surcharges, etc. We have seized every opportunity to highlight the inequities of the price fixing cartels, i.e., Far Eastern Freight Conference (FEFC) and rate agreements, Intra Asia Discussion Agreement (IADA) and Transpacific Stabilization Agreement (TSA) as they continue to impose their monopolistic practices onto shippers. There is also a possibility of collusion between members of FEFC and those of IADA & TSA as a number of shipping lines are members of both organizations.

In Asia, with little government involvement, or regulatory protection, shippers are often ignored by the cartels. In the United States, the implementation of the OSRA, as part of US efforts to liberalise maritime transport, has accorded shippers a level of protection against shipping cartels. In Europe, with the government as an invaluable watchdog, shippers are strong and organised and are able to hold their own against the conferences.

In the recent developments, The European Commission in its review of the European anti-trust legislation is expected to come into force by May 2004. The Asia-Australia Discussion Agreement (AADA) has lost its authorised collective price-setting \*-- abilities, as a result of an Australian Competition and Consumer Commission inquiry.

Our members have endeavoured to work through government and international agencies to remove the anti-trust immunity granted to shipping lines and to uphold the principles of free market practice and subject shipping lines to the same rules as other businesses. We abhorred the way shipping lines had used this requirement in exploiting shippers through surcharges, which were imposed without consultation with the shippers.