

Ref: SSA/100/06

25 April 2006

Competition Commission of Singapore
MND Complex
5 Maxwell Road, Tower Block #13-01
Singapore 069110

Attn: Ms Joy Ng Ee Kia, Director (Economics)

Dear Ms. Ng,

**SINGAPORE SHIPPING ASSOCIATION'S COMMENTS ON THE CCS PROPOSED
BLOCK EXEMPTION ORDER FOR LINER SHIPPING AGREEMENTS IN THE
MARITIME INDUSTRY**

Attached for your kind attention is SSA's submission on the proposed Block Exemption Order (BEO).

Kindly contact us if you have any queries.

Best regards,

Yours Sincerely,

DANIEL TAN
Executive Director

SINGAPORE SHIPPING ASSOCIATION

COMMENTS ON THE CCS PROPOSED BLOCK EXEMPTION ORDER FOR LINER SHIPPING AGREEMENTS IN THE MARITIME INDUSTRY

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1. SUMMARY OF MAJOR POINTS

The Singapore Shipping Association (SSA) is receptive to the proposed Block Exemption Order (BEO) as it currently stands.

2. STATEMENT OF INTEREST

Singapore Shipping Association

The Singapore Shipping Association (SSA), as at 19 April 2006, represents 262 members from across the wide spectrum of the Singapore shipping industry.

Shipowners, shipping lines, shipping agents and ship managers represent our Ordinary membership, which totals 183 companies. The remaining 79 companies are Associate members comprising ship financiers, marine insurance brokers and P & I clubs, maritime law firms, classification societies, terminal operators etc.

The Singapore Government, with its pro-business stance, has an important objective. It is to develop Singapore into a major maritime centre and a major hub port for major shipping lines.

The SSA strongly supports this objective and works together with other relevant government bodies and trade associations to achieve it.

Over the years, the SSA and its members of the shipping industry have contributed significantly to the Singapore economy.

Singapore excels in various shipping sectors, including the following:

Port:

The Singapore port is a major international port. It is the world's busiest port in terms of shipping tonnage. A total of 172,808 vessels called in Singapore in 2005. The Port of Singapore is the largest container port in the world with a container throughput of more than 23.1 million TEUs handled. The total cargo handled by the port registered over 423 million tonnes. Singapore is a major transshipment centre.

Ship Bunkering:

Ship bunkering remains an important economic activity of Singapore's maritime industry generating revenues of some S\$7 billion a year. 2004 alone saw a record 23.6 million tonnes of bunkers sold. 24,652 vessels called at Singapore for bunkers in 2005.

Singapore Registry of Ships

Singapore has the 5th largest merchant fleet in the world. As of end 2005, there were 3,219 ships under the Singapore flag totalling of 32.963 million GT.

Ship Repairs

Situated at the crossroads between East and West trades, Singapore is an important centre for ships to stop over for dry-docking and repairs.

3. COMMENTS

Considering that Singapore is part of a global shipping network and regulatory environment, the SSA notes that the Competition Commission's proposed Block Exemption Order (BEO) sets out a proposal for a regulatory environment which will be flexible enough to accommodate a wide range of agreements.

The SSA will recommend its members to adhere to the BEO and, in doing so, to file any necessary liner shipping agreements or variations and amendments thereto with the Commission in a timely manner and to make available to the Commission any such information or assistance that the Commission may require by virtue of the BEO.

4. CONCLUSION

The SSA agrees that the BEO will promote and sustain competition as well as ensure that businesses in Singapore will continue to have ready access to the reliable and competitively – priced shipping services required to participate in a healthy free-market economy.

Tuesday, 25 April 2006