

April 15, 2016

The Honorable Anna Wu Hung-yuk, GBS, JP, Chairperson
Hong Kong Competition Commission
Room 3601, 36/F Wu Chung House
197-213 Queen's Road East,
Wanchai, Hong Kong



The American Chamber
of Commerce in Hong Kong
1904 Bank of America Tower
12 Harcourt Road, Hong Kong

Dear Ms. Wu,

RE: Submission in response to the consultation on the Application for a Block Exemption Order under Section 15 of the Competition Ordinance (Cap. 619) by the Hong Kong Liner Shipping Association (HKLSA) (Case Number: BE/0004)

The American Chamber of Commerce in Hong Kong (**AmCham HK**) appreciates the opportunity to comment on the Application for a Block Exemption Order under Section 15 of the Competition Ordinance (Cap. 619) by the Hong Kong Liner Shipping Association (**HKLSA**) (**Case Number: BE/0004**).

AmCham HK wishes to reiterate its support for the Ordinance, as a matter of principle – more competition in a free and open economy is good for Hong Kong. We respectfully submit that the Competition Commission should balance the application of competition principles against the importance of Hong Kong's global and regional competitiveness.

AmCham HK notes that different jurisdictions have taken different approaches to *Voluntary Discussion Agreements (VDAs)*. Irrespective of whether the Competition Commission decides to include VDAs in the block exemption, the decision needs to be based on economic considerations which support the industry as a whole.

In summary, AmCham HK recommends a Block Exemption Order for VSAs as it would “enhance the overall economic efficiency” by lowering vessel slot costs, benefiting not only the customers but also “allowing the consumers to have a fair share of the resulting benefit” without compromising competition in accordance with Section 1 of Schedule 1 to the Competition Ordinance. Taking into account the impact this may have on Hong Kong's overall economy, we respectfully submit that the Hong Kong SAR Government should continue to step up its efforts in improving the competitiveness of the port in respect of which competition policy is a key component.

AmCham HK would be very pleased to provide further feedback. Please feel free to liaise with Ms. Ming-Lai Cheung, Government Relations & Public Affairs Director at mcheung@amcham.org.hk or by phone: 2530-6927.

Yours sincerely,

Walter Dias
Chairman

Richard R. Vuylsteke
President

The American Chamber of Commerce in Hong Kong is the largest international chamber in Hong Kong and represents a broad and diverse membership.