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Singapore

## ***Press Release on ASA's response to the European Commission's Call for Evidence regarding the Evaluation of the Consortia Block Exemption Regulation***

The Asian Shipowners' Association (ASA) appreciates this opportunity to provide its comments in response to the Commission's August 9, 2022 "Call for Evidence" regarding its evaluation of the Consortia Block Exemption Regulation (CBER). The ASA is an organisation of the shipowners' associations of Asia Pacific nations, i.e. Australia, China, Chinese Taipei, Hong Kong, Japan, Korea and the Federation of ASEAN Shipowners' Associations comprising Brunei, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. The ASA membership together is estimated to represent approximately 50% of the world merchant fleet today. The role of the ASA is to promote the interests of, and provide a unified voice for, the Asian shipping industry by expressing its views on key legal, regulatory, and policy issues affecting this industry. The ASA files these comments to emphasize the organization's long-standing policy that competition law exemptions for consortia like the CBER are indispensable for the healthy development of the liner shipping industry and the maintenance of reliable liner services to the entire global trading community.

The CBER have been in place since 1995 and have been extended following thorough Commission evaluations. The current CBER is set to expire on 25 April 2024. When the Commission last renewed the CBER in 2020, it found that consortia agreements among ocean carriers "generally help to improve the productivity and quality of available liner shipping services by reason of the rationalisation they bring to the activities of member companies and through the economies of scale they allow in the operation of vessels and utilisation of port facilities. They also help to promote technical and economic progress by facilitating and encouraging greater utilisation of containers and more efficient use of vessel capacity."

The ASA would like to emphasise its stances regarding the consortia agreements:

- Consortia Agreements Are Indispensable to the Maintenance of Reliable Liner Services in Europe and Worldwide
- Consortia Agreements Have Been Critical to Global Trade During the COVID-19 Pandemic
- Consortia Agreements and Extension of the CBER Are Important for the EU to Achieve its Environmental Goals
- Extension of the CBER Would Promote Consistent International Regulatory Treatment of Consortia Agreements

The ASA respectfully submits that these findings with respect to consortia agreements remain just as valid today as they were in 2020, and the ASA therefore strongly encourages the Commission to extend the CBER without any substantive changes.

“From an operational and environmental perspective, vessel sharing is like public transport and car-pooling schemes: seeking to maximise efficiency and reduce emissions through the shared use of transport assets and infrastructure, significantly reducing emissions per unit of cargo transported.” says the Secretary General of ASA, Mr Yuichi Sonoda.

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**Editor's Note:**

*The Asian Shipowners' Association (ASA) is a voluntary organization of the shipowner associations of Australia, China, Chinese Taipei, Hong Kong, Japan, Korea and the Federation of ASEAN Shipowners' Associations comprising shipping associations of ASEAN countries. The aims of the ASA are to promote the interests of Asian shipowners. Between annual ASA meetings, the ongoing work is carried out by five Standing Committees: The Seafarers Committee (SC), the Ship Insurance and Liability Committee (SILC), the Safe Navigation and Environment Committee (SNEC), the Shipping Policy Committee (SPC), and the Ship Recycling Committee (SRC). It has been estimated that ASA shipowners and managers control and operate around 50% of the world's cargo carrying fleet.*