

For immediate reporting

**BLOCK EXEMPTION ORDER FOR LINER SHIPPING AGREEMENTS
EXTENDED FOR THREE YEARS UNTIL 31 DECEMBER 2024**

1. The Minister for Trade and Industry has extended the Competition (Block Exemption for Liner Shipping Agreements) Order (BEO) for three years, from 1 January 2022 to 31 December 2024, following the recommendation by the Competition and Consumer Commission of Singapore (CCCS).
2. The BEO will apply to vessel sharing agreements for liner shipping services and price discussion agreements for feeder services. Extension for the former will improve the connectivity and competitiveness of Singapore's port while the latter will support the presence of feeders in Singapore, which in turn attracts and anchors main lines to Singapore.
3. More information on the BEO and CCCS's recommendation can be found on CCCS's website at www.cccs.gov.sg.

Annex: Background on Competition (Block Exemption for Line Shipping Agreements) Order (BEO)

**MINISTRY OF TRADE AND INDUSTRY
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ANNEX

BACKGROUND ON COMPETITION (BLOCK EXEMPTION FOR LINER SHIPPING AGREEMENTS) ORDER

1. The Competition (Block Exemption for Liner Shipping Agreements) Order (BEO) exempts certain types of liner shipping agreements from Section 34 of the Competition Act (Cap. 50B), which prohibits agreements, decisions and concerted practices that have the object or effect of preventing, restricting or distorting competition in Singapore.
2. With effect from 1 January 2022, the liner shipping agreements covered under the BEO are vessel sharing agreements for liner shipping services and price discussion agreements for feeder services.
 - a) Vessel sharing agreements: Operational agreements between two or more liners on the provision of liner shipping services (e.g., coordination or joint operation of vessel services, and exchange or charter of vessel space).
 - b) Price discussion agreements: Commercial arrangements between two or more liners on the provision of liner shipping services (e.g., prices and remuneration terms offered to third parties). Those exempted from the BEO are only price discussion agreements for the provision of feeder services, which are provided to main lines (who own the containers transferred on the feeder vessel), where the objective of such a service is to consolidate or redistribute goods to and from the main line customers.
3. To facilitate competition between parties to a vessel sharing agreement, or a price discussion agreement for feeder services, the agreement must:
 - a) Allow the parties to offer, on the basis of individual confidential contracting, their own service arrangements;
 - b) Allow the parties to withdraw from the agreement on giving any agreed period of notice without financial or other penalty. In particular, an obligation to cease providing liner shipping services in a market;
 - c) Not require the parties to mandatorily adhere to a tariff and disclose, whether to other liner operators or otherwise, confidential information concerning service arrangements.
4. The BEO also includes obligations that ensure transport users and CCCS are kept aware of liner shipping agreements where the aggregate market share of the parties exceeds the market share limit.