

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:5038
ANSWERED ON:23.04.2015
VESSEL SHARING
Venugopal Dr. Ponnusamy

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government proposes to exempt vessel sharing agreements from the purview of Competition Commission of India; and

(b) if so, the details thereof along with the reasons therefor including the best practices followed in such agreements?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI PON. RADHAKRISHNAN)

(a) The Ministry of Corporate Affairs vide notification dated 05.02.2015 has exempted the Vessel Sharing Agreements of Liner Shipping Industry from the provision of Section 3 of the Competition Act, 2002 for a period of one year from the date of publication of notification in the official gazette, in public interest.

(b) The Vessel Sharing Agreements had initially been exempted from the provision of Section 3 of the competition Act 2002 for a period of one year with effect from 11.12.2013 to 10.12.2014 subject to monitoring of such agreements which were to be filed with the Directorate General of Shipping. Further exemption has been granted till 04.02.2016 after a joint review of the said exemption conducted by the Competition Commission of India and the Directorate General of Shipping. Vessel Sharing Agreements are meant to promote ease of doing business in the liner shipping industry. Best practices consist of not indulging in anti-competition practices which include fixing of prices, limitation of capacity or sale and allocation of markets or customers.