

Joint Statement

Asian Shippers' Alliance Meeting

25-27 March 2018

Hong Kong SAR and Macau SAR, China

The Asian Shippers' Alliance (ASA) Meeting 2018 (Meeting) was held in conjunction with the Global Shippers' Alliance (GSA) Meeting 2018 on 25-27 March 2018 in the Hong Kong SAR and the Macau SAR of China. The Meeting was attended by the Shippers' Council of Bangladesh, Indonesia National Shippers' Council, Macau Shipper's Association, Thai National Shippers' Council and The Hong Kong Shippers' Council. The European Shippers' Council (ESC) attended the full meeting as an observer. Dato Dr. Ir. Andy K.H. Seo, Chairman of the Malaysian National Shippers' Council and Chrisso de Mel, Chairman of the Sri Lanka Shippers' Council also attended the meeting in their own personal capacity and as observers.

The Meeting discussed major developments in Asia that were of shippers' interests. These developments include:

- Belt & Road Initiatives
- Infrastructure Development and Connectivity, especially the land-bridge linking Europe and Asia and the Southern Transport Corridor
- The Guangdong-Hong Kong-Macau Bay Area
- Competition Issues, especially over maritime regulatory issues
- Liner consolidations and market concentration

The Meeting expressed special concern of substantially increased market concentration. There were virtually only 3 alliances in the major trade lanes, and that the top 5 carriers accounted for over 80% of capacity in these trade lanes. The Meeting called for intense scrutiny by regulatory authorities and shippers.

The Meeting discussed in length the paradigm shift caused by the digital and digitization of trade. The Meeting noted the change in process from document driven to data driven, and the importance of coordinated border management and trust trade lanes initiatives. The Meeting agreed to give its support to the Core Project in which the ESC is an important stakeholder. On the related subjects of Industry 4.0 and Logistics 4.0 (or similar approaches under different names), the Meeting received a briefing from the Fraunhofer Institute of Germany and demonstration of their applications from the Hong Kong Productivity Council. The Meeting noted the important developments in real-time supply chain management which would drastically change the future logistics landscape. The Meeting called for actions to ensure shippers ride on and gain competitive edge from these disruptive tides.

The Meeting also discussed air freight issues including congestion at major airports, capacity restrictions, sustainability, digitalization, safety and security, rise of niche players, continue development of integrators, growing importance of belly cargo, etc. It was agreed that these issues were very important and that shippers should expand their engagement in industry and governmental institutions and organizations.

The Meeting was glad to learn about the advantages of Macau being an important economic center in Asia, and its favorable investment environment from the Macao Trade and Investment Promotion Institute. The Meeting noted that these advantages would be further enhanced by the development of the Guangdong-Hong Kong-Macau Bay Area initiative and the operation of the Hong Kong-Macau-Zhuhai Bridge scheduled in the second half of this year.

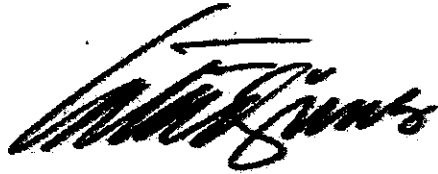
The Meeting exchanged market and activity information through members' country reports. It also agreed to enhance communication with the public, the industry and among shippers' community through the GSA website and stepped-up communications.

The Meeting expressed its concern over intensified trade conflicts and agreed to jointly sign a press statement with GSA on the subject. The Meeting noted the negative impact of trade war which would result in

higher costs for all. The Meeting called for rationalization and collaboration over trade.

Lastly, the Meeting agreed to hold the ASA Meeting 2019, and to join the GSA 2019 meeting, in Amsterdam, the Netherlands in March 2019.

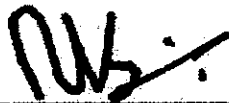
This statement is jointly signed by



Indonesia National Shippers' Council



The Hong Kong Shippers' Council



Shipper's Council of Bangladesh



Macau Shipper's Association



Thai National Shipper's Council