



# Redox Chemicals Pty. Ltd.

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FACSIMILE  
REC'D 2/10/03

**Australian Competition & Consumer Commission**  
GPO Box 520J,  
Melbourne VIC 3001

FILE No
DOC: D03/45755
MARS/PRISM

Attention : Mr David Salisbury

**Re : ACCC Part X investigation into the Asia-Australia Discussion Agreement (AADA)**

Our ref no.: 2003/2374 RC/YB.

Dear Mr Salisbury,

Thank you for your message dated 11/11/03, suggesting that we make a submission expressing our views by the 12<sup>th</sup> December 2003.

There is no doubt in our minds that importers have been, and are being exploited by the agreement between members of the AADA.

We believe that the freight increases have been well advertised in the AADA meeting in Hong Kong on the 24<sup>th</sup> March 2003.

We did bring to the attention of ACCC and submitted to you copy of the AADA memorandum dated 24<sup>th</sup> March 2003. We did receive a reply by Mrs Margaret Arblaster dated 20<sup>th</sup> June 2003, in which we were advised;

**Quote:**

However, Part X of the Act allows limited exemptions for international liner cargo shipping agreements from the anti-competitive provisions. The exemptions apply across a variety of agreements, from conference agreements to the non-binding discussion agreements, if registered under Part X. The exemptions apply to certain collusive practices, including agreements on freight rates (but not misuse of market power), which might otherwise breach restrictive trade practices sections of the Act.

**Unquote:**

If the ACCC did not warn the AADA earlier during the year, not to misuse the market power, in our opinion this left the AADA cart blanche, to exploit the Australian importers.

Unless the ACCC will take definite and strong steps, this exploitation by the AADA will continue. As an example we have been advised to expect another US\$300 per 20' container freight increase at the beginning of next year and that the season surcharge will continue until at least the end of February 2004.

Kind Regards  
Roland Coneliano  
Director Marketing

cc: Mr Stephan Pavlou – Redox Logistic Department.