



INDEPENDENT CONSUMER & COMPETITION COMMISSION

PRESS STATEMENT

"ICCC completes comprehensive review into Stevedoring and Handling Services - Stevedoring & Handling rates will be Monitored by ICCC"

The Independent Consumer & Competition Commission ("ICCC") today announced the release of the Final Report on the Stevedoring and Handling Services Pricing Review ("Final Report"). Commissioner and CEO for ICCC, Thomas Abe said the Final Report now sets the direction in which the Commission will regulate this industry going forward. 'The Commission has further adopted a price monitoring arrangement to monitor the prices in these industry against a benchmark comparator series developed by the Commission', Commissioner Abe added.

Commissioner Abe said, 'some special features of the industry were evident to the Commission, particularly the existence of a higher degree of vertical integration between the ownership of the stevedoring companies and the shipping lines that they service which to a certain extent, has acted as a barrier to entry into this industry, despite the "low" capital and associated set up costs for a new entrant. As a consequence, this has limited entry of potential new operators into the industry

'It is therefore on this basis that the continuation of some form of price regulation is considered necessary as this industry plays an important role in ensuring a vibrant domestic and international trading sector by becoming an interface between land and sea transport. Therefore the impact of any inefficiency or otherwise in this sector will extent to other sectors within the domestic economy', Commissioner Abe said.

Commissioner Abe said, the price monitoring arrangement will continue for 5 years commencing 1 January 2009, however the Commission may have the prices declared for direct price regulation if it forms a view that stevedoring and handling rates are moving at a rate not consistent with movements in the benchmark comparator series',

'The Commission has also recommended for a prize freeze for the remainder of 2008, which means that the stevedoring and handling rates that applied as at 1st January 2008 will remain until 31st December 2008', Commissioner Abe said.

Authorised by:

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THOMAS ABE
Commissioner & CEO

3 June 2008