



KOREA SHIPOWNERS' ASSOCIATION

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Mr. Arnold Wang,
Chairman
National Association of Chinese Shipowners
Room 508, 5th Floor,
10 Chungking South Road,
Section 1, Taipei
TAIWAN

10th February 2009, Seoul

Dear Mr. Wang,

Re: Restoring the bilateral traditional cooperative ties in the shipping sector

More than anything else, I should extend my heartiest congratulations on the start of the new era, the era of the direct sea, air and mail services between your esteemed country Taiwan and China. It is really an epoch-making progress towards the everlasting world peace and prosperity, all the more in this region, Asia in particular, which we all desire. Even in limiting ourselves to just an economic aspects only, it will greatly contribute, I firmly believe, in the advancement of the liberalization and openness of the world trade, and trade facilitation as well.

We, all the shipowners of our two countries, as bona-fide partners, have co-operated each other for a long time in order to develop our own shipping industries, by having jointly taken up the various challenges in the world shipping; that is, through giving concerted voices on the various shipping issues on the international fora such as ASF and IBF, in particular, and through playing their part in the various cooperation schemes such as the form of strategic alliances on the company-based level too. Such a traditional symbiotic relationship, we, the private sector, have maintained hitherto outshines at the crucial world economic crisis unprecedented in the recent history, just now we faces.

As we are well aware, almost all of the economic sectors in the world suffer from the global financial crisis. The shipping industry is not an exception. This industry also faces a variety of challenges; mainly through the worldwide decrease of the seaborne transport demand, consequential weakening of its bargaining power over the counterpart, and however, making the matters worse, infelicitously enough, it being concurrently overtook by the curtailment or withdrawal of the various liability exemption regime, traditionally granted for ages, taking the shipping industry's indigenous characteristics into consideration (such as the withdrawal of the antitrust law immunity, the imposition of the more severe regulations to this industry, and so forth).

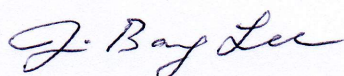
As stated above, the private level has done much. However, it leaves something to be desired that the governmental level institutional cooperation mechanism would having been properly working, more effective and workable solution could be hammered out for the shipping industries of our two countries to smoothly cope this kind of situation. And therefore, Korean shipping circle firmly believes that, at the earliest possible moment, the traditional governmental level cooperation mechanism between our two countries should be reestablished, and also, in a speedy manner, their cooperation capability should be strengthened and solidified.

Recently, I heard with great delight that the Government authorities of our two countries (id est the Korean Mission in Taipei and your esteemed Ministry of Transportation and Communications) would initiate discussions on this matter in several days. You might remember that the Korean Government authority delivered your esteemed authority (Ministry of Foreign Affairs) the new draft agreement on maritime transport between our two countries through a diplomatic channel in the year of 2005, with the hope that the friendship between our two countries in shipping be restored at the level as it used to be. I sincerely hope that the Governmental talks begun afresh, as I mentioned above, would yield desirable results, so that the new Government-level cooperative framework in this field as well be built up, and within the framework various common agenda be addressed themselves to. And I sincerely hope as well that in the course of the discussions, just begun afresh this February, the pending issues for ages, such as the participation of Korean flagged vessels in Taiwan/Japan route services, be, concurrently, addressed themselves to, and finally an amicable key to a solution be drawn up.

And therefore, we, Korea Shipowners' Association cordially request your esteemed Association to subscribe to our position and also deliver your Association's views to the same effect to your esteemed Governmental authority. I am confident that our concerted action and efforts would not merely restore the amicable relations in good old days, but also open up a new era of cooperation and partnership in shipping.

With high expectations and appreciation, I am looking forward to your positive efforts and cooperation, and I remain.

Yours respectfully,



Jin Bang Lee
Chairman