

Media Statement

1 April 2015 | **For immediate release**

Swire confirms commitment to Tasmanian shippers

1 The Australian Government's recent decision to extend the Tasmanian Freight Equalisation Scheme (TFES) to include international export freight transhipped via Melbourne has materially changed the strategic context of the Memorandum of Understanding (MoU) between the Tasmanian Government and Swire Shipping that was signed in November 2014. In this current environment, the economic case for a direct international service linking Tasmania to global markets is no longer sustainable.

2 The MoU expired today and the Tasmanian Government has encouraged Swire Shipping to continue to fully explore all commercial opportunities arising from the current environment. While Swire Shipping recognises that the extension of the TFES will be positive for the Tasmanian market in the short term, a solution for the medium to long term requirements of Tasmanian Exporters remains uncertain.

3 Swire Shipping's Country Manager, Brodie Stevens, commented, "Our interest is to work with partners in Tasmania to develop long term, competitive and direct international shipping services. Given recent developments, the current market does not support this objective. However we confirm our commitment to Tasmanian shippers who have been extremely supportive of our efforts."

4 Swire Shipping has demonstrated a long term commitment to providing direct international shipping services to Tasmania and will continue to develop the Australia Pacific Asia (APA) service from Bell Bay to key ports in Asia, working in partnership with our valued customers.

5 Swire shipping is the liner shipping division of The China Navigation Company (CNCo), the deep-sea shipping arm of the multinational Swire Group. CNCo has provided regional shipping services between Australia and the Asia-Pacific region since 1883.

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