

CIMAC CIRCLE

Norway 2007

Future Marine Fuels – Challenges to the
Marine Industry

ICS position and industry views

Tony Mason, Secretary General
International Chamber of Shipping



INTERNATIONAL CHAMBER OF SHIPPING

Developing the industry
viewpoint ..

.... extensive discussion ...

...representing >70% of world tonnage



FACTORS

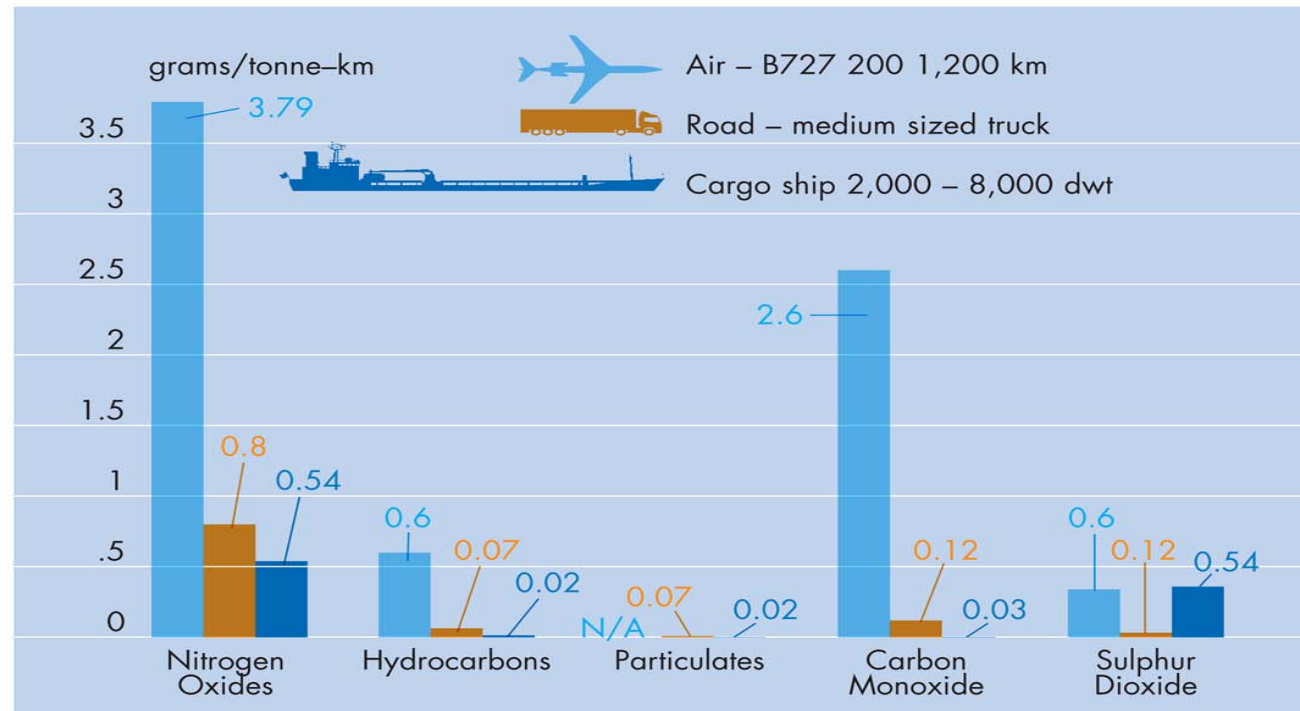
- Political pressures:
 - Review MARPOL Annex VI
 - Public health pressure to reduce emissions
 - Kyoto problems
 - EU CO₂ reduction Communication
 - Global warming



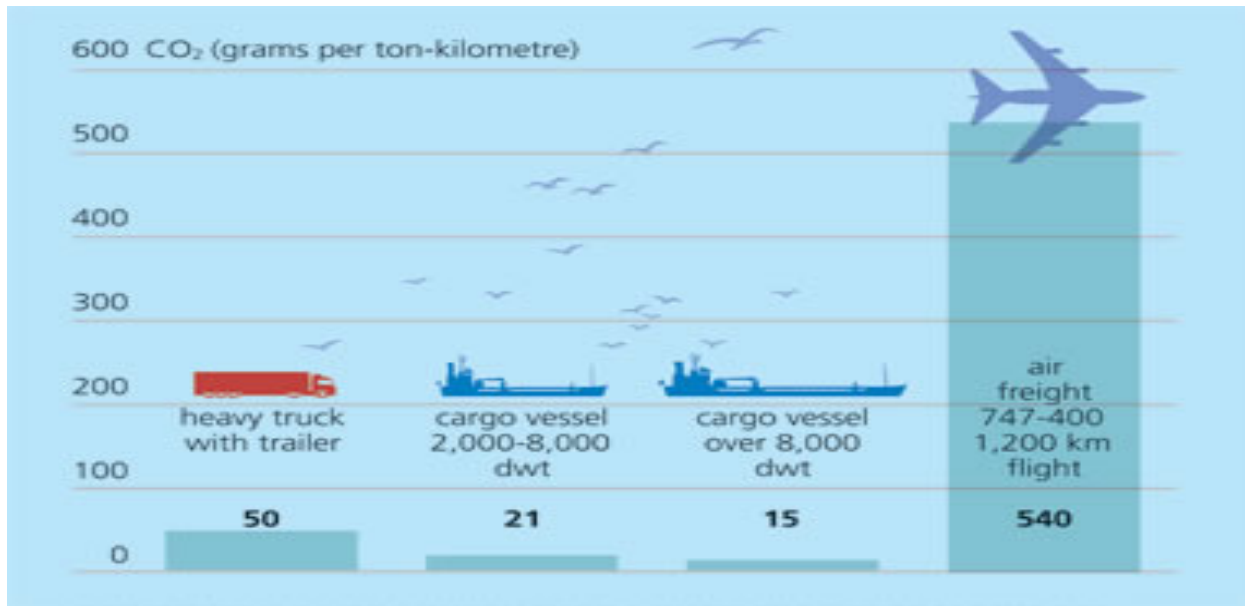
COMPARATIVE EXHAUST GAS EMISSIONS

Comparison of exhaust gas emissions

Source: Swedish Network for Transport and the Environment



CO2 EMISSIONS OF DIFFERENT FORMS OF TRANSPORT



Source: NTM (Swedish Network For Transport and the Environment)

UNKNOWNNS

- Growth rate of world fleet
- Actual emissions from ships
- Price and availability of specific fuel types under more stringent limits
- Potential of abatement technology
- Impact on trade and modal splits



ICS PROPOSALS – KEY PRINCIPLES

- New goal based approach
- Marpol Annex VI and CO2 to be examined together
- Create a legislative environment that stimulates innovation
- Give the shipowner choice in compliance mechanisms
 - Not opposed to any single solution
- Take the quickest practical route



TIMETABLE FOR ACTION

- MEPC 56 – July 2007
- IMO Scientific Group
- BLG 12 – February 2007
- MEPC 57 – March/April 2008



REDUCE AIR EMISSIONS FROM SHIPPING IN THE SHORTEST POSSIBLE TIMEFRAME

A result must be delivered at MEPC in Spring 2008



BLG OUTCOME SOx

- Reference Baseline – current Annex VI
- Global/Local Options
 - Change to SECA requirements
 - USA proposal
 - BIMCO proposal
- Global Options
 - Change to distillate fuel
 - Alternative mechanisms



ICS PROPOSALS SOx

- Maintain Global/Local distinction
- More SECAs (or similar) for environmentally sensitive areas
- Lower SECA limit – to be defined
- Further environmental and economic assessment for global cap reduction
- Firm agreement in Spring 2008



LONG TERM GOALS

- Industry Strategy Group
- Define the Goals
- Address fuel availability
- Attractiveness of distillates as long term solution
- Develop alternatives



THANK YOU

TONY MASON

tony.mason@marisec.org

www.marisec.org

www.shippingfacts.com



BLG OUTCOME (2)

- NOx –
 - Tier I – Current Annex VI NOx curve
 - 1 January 2011 – Tier II – reduce by 2-3 gram/Kwh using in-engine measures
 - 2015/2016 – Tier III – reduce by 50-85% using bolt-on measures
 - Existing engines – more investigation required



BLG OUTCOME (3)

- VOC
 - New VOC management plan required for all tankers carrying crude oil.
 - Requirement on Terminals to be able to receive vapour returned from tankers

