



## **EU TO SUPPORT SHIPPING INDUSTRY IN MEETING SECA CHALLENGE**

### **JOINT INDUSTRY STATEMENT for the EUROPEAN SUSTAINABLE SHIPPING FORUM (ESSF)**

With this joint statement, the shipping industry wishes to contribute to the forthcoming debate at the European Sustainable Shipping Forum (ESSF). One of the purposes of the ESSF is to assess progress towards compliance with the IMO requirement for a maximum 0.1% sulphur content in marine fuel, due to enter into force as from 1 January 2015 in SECAs (Sulphur Emission Control Areas). This requirement will be enforced in the European Union through the Sulphur Directive (Directive 2012/33/EU).

As a consequence of technical and economic uncertainties, there are serious hindrances in the financing of technical solutions that would facilitate the implementation of the 0.1% fuel sulphur content requirement. Although the European Commission's 'Sustainable Waterborne Transport Toolbox' is appreciated, major implementation difficulties remain in practice.

The shipping industry therefore urges the Commission to primarily address financial support for ship conversions and to consider the timely application of any additional transitional measures in order to ensure an appropriate enforcement of the Sulphur Directive.

Prior to the entry into force of the new sulphur requirement, the shipping industry believes that Member States and the Commission should have a commitment to take corrective action if factual analysis within the ESSF provides evidence that the implementation of the 0.1 % limit in 2015 will have detrimental effects on the sustainability of maritime transport.

The ESSF should also provide a platform to discuss possible interim measures and to take due account of regional specificities wherever necessary.

The shipping industry welcomes the opportunity offered through the ESSF to discuss the compelling need to address practical issues that will be encountered during the implementation process of forthcoming environmental requirements, in particular during the transition phase before and during the entry into force of new standards. The ESSF should also provide a platform to discuss possible interim measures and take due account of regional specificities wherever necessary.

The shipping industry has been directly engaged with the EU institutions for several years on a range of issues relevant to the work of the ESSF and is committed to participate in the future activities of the Forum and any specific technical subgroups that are established.

The shipping industry urges the European Commission and Member States to give high priority to consideration and implementation of interim measures and support for conversion of ships, in order to make compliance with the new requirements environmentally and commercially sustainable.

In addition, the methods that have been used for estimating future availability and costs for compliant fuel should be clarified. In this regard, consideration should be given to the actual sulphur content of fuel being supplied for use by ships. There is also a clear need to develop reliable and consistent approaches to ensure confidence in the results obtained when testing fuel samples.

The shipping industry believes that there is a compelling need to urgently address these issues in assessing the economic impact of the various technical options for compliance available to shipowners, as well as their feasibility, and select the appropriate solution for an individual ship.

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Several studies have warned of an expected modal shift from short sea shipping to transport by road. Although the estimated percentage of modal shift may differ depending on the parameters examined and the data sources used, the risk of modal shift is generally confirmed. Potential consequences could include the closure of short sea services on some routes or a reduction of the frequency of services. This is in sharp conflict with the objectives of EU transport policy, which aim at a positive modal shift away from road transport, towards more environmentally efficient transport by water and rail.

Shipowners have since 2008 been considering a wide range of possibilities for compliance, including identification of the need to confirm adequate availability of compliant fuel, use of LNG as an alternative fuel, the use of scrubbers and other technology, use of alternative energy sources, etc.

It has become increasingly clear that there are still many technical and economic issues to be solved in the short and medium term before shipowners will be able to select the appropriate solution for individual ships with confidence.

Brussels, November 2013.

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