



The Association of European Vehicle Logistics

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PRESS RELEASE

Global Sulphur Cap 2020 – Maritime Game Changer

300 delegates from the European Automotive Logistics sector gathered in Mainz at the ECG Annual Conference on 25/26th October to discuss, amongst numerous challenges to the sector, the Global Sulphur Cap 2020.

The IMO standard of 0.5% for sulphur limits outside SECAs will be mandatory for all vessels trading globally as of 1st January 2020, which is a reduction from the previous 3.5% limit that has been in place since 2012. This creates a complex challenge for the maritime industry. There is a great deal of uncertainty related to enforcement of the new laws and availability of low sulphur fuel.

Alternative solutions include the use of exhaust gas cleaning systems, so-called 'scrubbers'. However, it is already too late to fit scrubbers before 1st January 2020 due to the high demand. Other solutions such as alternative fuel (LNG) are really only applicable to new build vessels. All solutions will result in significant increased costs for shipping companies to comply with these strict environmental regulations.

The automotive and commercial vehicle industry relies heavily on global ro-ro shipping to move finished vehicles to markets around the world. ECG – The Association of European Vehicle Logistics represents all transport modes at EU level – road, rail, fluvial and maritime. ECG Members operate over 460 ships and will be greatly affected by these new requirements. Bjorn Svenningsen, Vice-President of ECG and Director, Sales & Marketing at UECC "The global sulphur cap, setting a maximum of 0.5%, will be a game-changer for our industry. Not only does it represent cost challenges regardless of compliance method, but also operational challenges".

Note to editors:

ECG's Annual Conference entitled "**Riding the wave – Staying ahead in our fast moving world**" was held on 25th/26th October at the Hyatt Regency Hotel in Mainz, Germany. It remains the largest gathering of professionals from the finished vehicle logistics industry anywhere in Europe. This year's attendance figure of almost 300 delegates broke all previous records. Speaking on the Global Sulphur Cap 2020 was Christos Chryssakis, Business Development Manager, DNV GL - Maritime.

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Background for the Editors

ECG, the Association of European Vehicle Logistics, has been the voice of the Finished Vehicle Logistics industry in Europe since 1997. ECG represents the interests of around 100 member companies, from family owned SMEs to multi-nationals, and is the major champion of the European vehicle logistics sector. ECG represents all transport modes at EU level – road, rail, maritime and fluvial. ECG Members provide transport, distribution, storage, preparation and post-production services to manufacturers, importers, car rental companies and vehicle leasing operators in the 28 Member States of the European Union as well as Norway, Switzerland, Turkey, Russia, Ukraine and beyond. They own or operate more than 460 car-carrying ships, 13,600 purpose-built railway wagons, 19 river barges and more than 26,000 road transporters.

As a major employer, the finished vehicle logistics sector plays an important role in contributing to the economic success of the European Union. ECG members have an aggregate turnover of around €23bn and their economic impact on companies associated with the sector is estimated at €60.00bn. More than 145,000 Europeans are employed directly by the vehicle logistics industry and an additional 300,000 are indirectly employed in this sector.