FINNISH PORTS ESPOUSE THE NEW SITUATION AFTER 2015

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Port of Helsinki

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Maritime environmental protection regulation

- Global regulation **needed** to cover all sea areas and in principal all merchant vessels (size 300 GT and above)
- Regulations to be set by **IMO** (no other bodies)
- EU regulations and directives include IMO regulations – **should not** go beyond IMO regulation
- Finland is acting in IMO together with other EU countries

Sulphur in EU competence

- Sulphur content of traffic fuels is regulated in EU directives → EU competence

- Finland is member of EU and acting in IMO together with other EU countries according the commonly coordinated opinion → No possibility to individual member state actions

- No possibility to act alone in IMO (only via Commission)

IMO International Maritime Organization
Marpol annex VI

Reducing SOx and NOx emission

- Decided by MEPC Marine Environment Protection Committee in April 2008;
- Confirmed by MEPC in October 2008

Sulphur regulations for marine fuel:

Global sulphur limits (including EU countries not in the SECA)

- 4,5 % is maximum today
- 3,5 % from 2012
- 0,5 % globally from 2020 if feasible otherwise from 2025

Sulphur limits in SECA (Sulphur Emission Control Area)

- 1,5 % used to be maximum in SECA up to July 2010
- 1,0 % from July 2010
- **0,1 % from 2015**

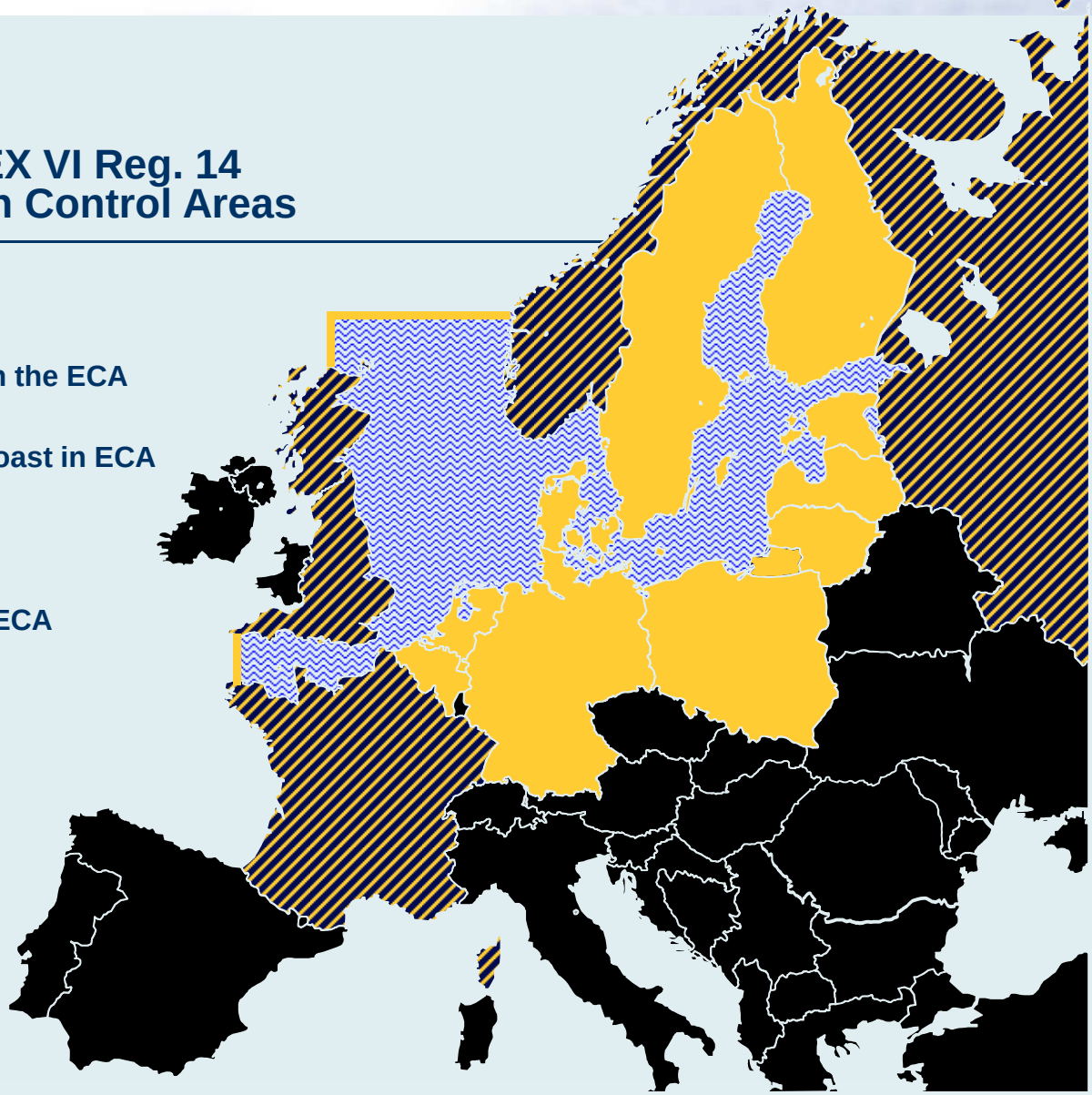
MARPOL 73/78 ANNEX VI Reg. 14
SECA – SO_x Emission Control Areas

Countries with water only in the ECA

Countries with part of the coast in ECA

The Emission Control Area

Countries without coast in ECA



North ameriacan SECA-area
200 nautical miles of the coast line

Shipping fuel consumption annually (2007)

- International global shipping ca. 280 million tons/an.
- Baltic sea area consumption ca 6,2 million tons/an. (HELCOM)
- Finnish shipping traffic ca. 2,2 million tons/an.

Cost for shipping (air & marine envi restrictions)

Sulphur restrictions:

Approximately 600 M€/an. 2015 onwards (freights up by + 30..+ 50%)

Ongoing in HELCOM:

- Baltic Sea to NECA (Nox restriction area)
- New vessels from 2016 omwards → NOx reduction 80%
- **NOx reduction: year 2020 → 15 M€/an. to year 2040**
- **Approximately 15 M€/an. (freights up by +3..5 %)**

Ongoing in IMO and EU:

- **CO2-reduction in shipping**
- **Approximately 55 – 110 M€/an. from 2020 → (freights up by +10.. +20%)**

Estimation of seafreights influence to industry logistics costs in Finland

- Sea freight is dependent on distance and value of cargo, volume, weight etc.
- Sea freight share of total price of product varies a lot → depending of above mentioned issues

- In Finland high logistics costs because of;
  - Environmental challenges (winter etc.)
  - Long distances
  - High cost country

- Logistics costs for industry, trade and construction in Finland is ca. 24 Billion euros annually of which ca. 40 % transporatation costs

- Additional costs of 0,1 % sulphur requirement is in average;
  - Transportation costs → 2-7 %
  - Sea freights → 25-40 %
  - Per each cargo ton → additional 2-10 euros

What can be done to overcome the challenges?

1) Alternative technical methods → Scrubbers
2) Alternative fuels → LNG
3) Additional accepted national State Aid to ship owners
4) Horizontally accepted State Aid
5) TENT-T instruments (tool box for supporting envi investments)
6) Marco polo program
7) Any other possibility to cover the costs???????

Thank You for your Attention!

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