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CHINA INTRODUCES SULPHUR REQUIREMENTS FOR MARINE FUELS

Relevant for owners and managers operating ships that access Chinese ports and sulphur control areas.

December 2015

China has published new regulations designating three areas as sulphur control areas effective January 1st 2019. Eleven key ports are allowed to impose requirements for fuel burned at berth as early as January 1st 2016. Mandatory port requirements will go into force January 1st 2017 for all ports in designated areas.



Rough illustration of ECA areas

On December 4th 2015, the Chinese Ministry of Transportation published new regulations designating parts of its coastal waters as emission control areas (ECA). Due to the growing recognition of how shipping contributes to air pollution along the coast, ships, including ocean-going vessels, which operate in areas near the Pearl River Delta, Yangtze River Delta and the Bohai Sea will be obliged to use fuel containing less than 0.5% sulphur from January 1st 2019.

Eleven key ports within the designated areas are allowed to apply the same requirement to ships at berth as of January 1st 2016. These eleven harbours are Guangzhou, Shenzhen, Zhujiang, Shanghai, Ningbo-Zhoushan, Suzhou, Nantong, Tianjin, Qinhuangdao, Tangshan and Huanghua. None of them have yet announced the implementation of the requirements,

but our information suggests that Shanghai may do so sometime in the first half of 2016.

From January 1st 2017, the requirement will become mandatory for all ports within the designated areas, including the eleven mentioned above.

At the end of 2019, the Chinese government will assess the situation and consider whether it is necessary to reduce the sulphur limit to 0.1%. It is our understanding that this decision will take into account the supply capabilities of the Chinese refinery industry and bunker providers.

It should be noted that despite the use of "ECA" with regard to this regulation, it is not linked to MARPOL's ECA requirements; it is strictly a Chinese regulation. The practical implication of this is that the International Maritime Organization's ECA regulation provides no formal guidance as to how the Chinese authorities will implement and enforce their own requirements.

The information that we have received so far indicates that alternative abatement methods, such as exhaust gas cleaning systems and shore power, will be accepted as compliance methods.

The official publication of the regulation in English is expected shortly. The original Chinese version is available on www.moc.gov.cn

Given that key ports can implement the requirement already on January 1st 2016, we recommend clarifying port requirements with the agent or port authorities in due time before arrival. In the longer term, we also recommend revising the bunkering strategy to assess the impact of the new requirements.

CONTACT

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