



International  
Chamber of Shipping

Shaping the Future of Shipping

# Global Shipping: Investing in Sustainable Development

Supporting the Three Pillars of Sustainability:  
The Economy, Environment and Society



The Switch to Low Sulphur Fuel

# Investing in the Environment and Sustainable Development

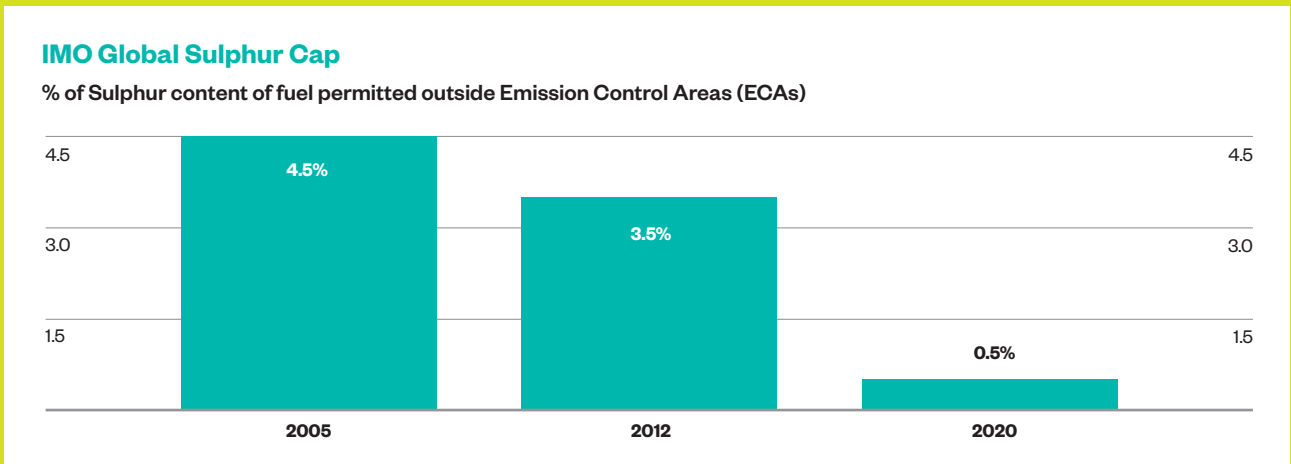
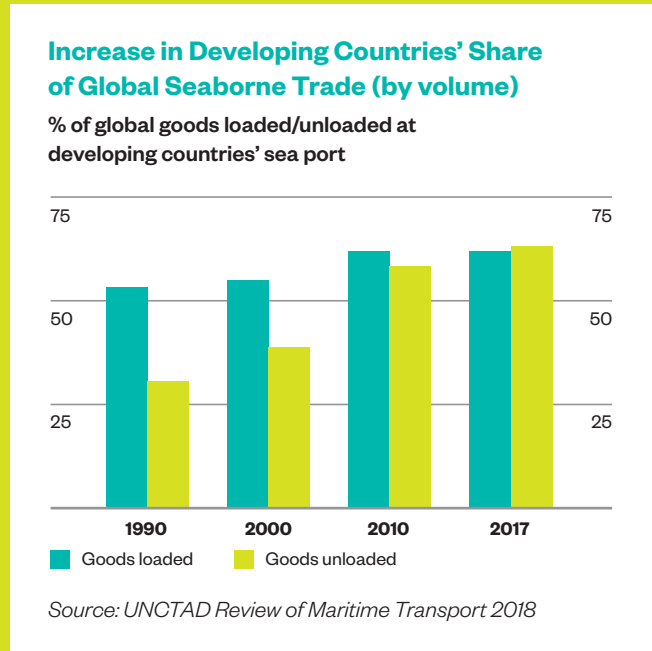


The goal of the shipping industry is to reduce its impact on the environment to the fullest extent possible.

About 90% of world trade is carried by sea, more than 10 billion tonnes of cargo a year. According to the United Nations Conference on Trade and Development (UNCTAD) world seaborne trade is also projected to 'expand at a compound annual growth rate of 3.8 per cent between 2018 and 2023', with the vast majority of maritime trade now empowering the economies of developing countries.

Shipping is the most economically and environmentally sustainable method of transporting high volume goods in bulk across the world, when compared with other transport modes.

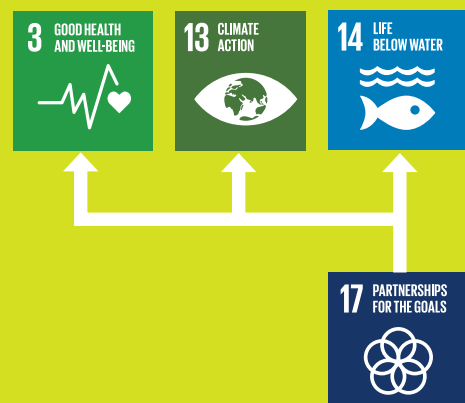
The industry continues to invest in ways to address its environmental responsibilities, acknowledging the potential additional impact current and projected seaborne trade growth rates could have on the environment unless dealt with appropriately. This includes investments to address the impact of sulphur emissions from ships.



The maritime transport sector has been consistently improving its environmental performance for decades, through global environmental initiatives adopted by the International Maritime Organization (IMO) to:

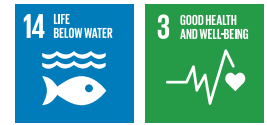
- Promote health and wellbeing;
- Address impacts on the ocean and marine ecosystems; and
- Substantially reduce greenhouse gas (GHG) emissions.

These initiatives also complement the UN Sustainable Development Goals (SDGs).



## The Switch to Low Sulphur Fuel

# Switching to Low Sulphur Fuel

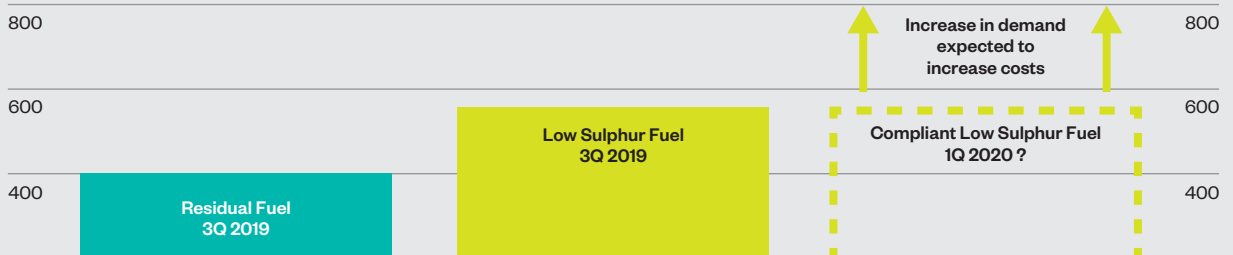


Arguably one of the industry's most defining moments since the shift away from coal.

All sections of the maritime sector and the fuel supply chain are investing heavily to meet the requirements of the IMO 0.5% global sulphur cap on marine fuel, which comes into effect from 1 January 2020. This will represent a significant reduction from the 3.5% sulphur content previously permitted.

### The Switch to Low Sulphur Fuel on 1 January 2020

Typical cost of marine fuel  
US\$ per tonne



Source: Ship & Bunker

## Health & Environmental Benefits



This investment will deliver a substantial reduction of sulphur content in ships' fuel, translating into a 77% drop in overall sulphur emissions from the sector. This will in turn lead to health benefits that will be felt globally, especially in and around coastal communities.

Investment towards sulphur reduction in ships' fuel will help deliver an array of health benefits, including significant improvements in air quality.

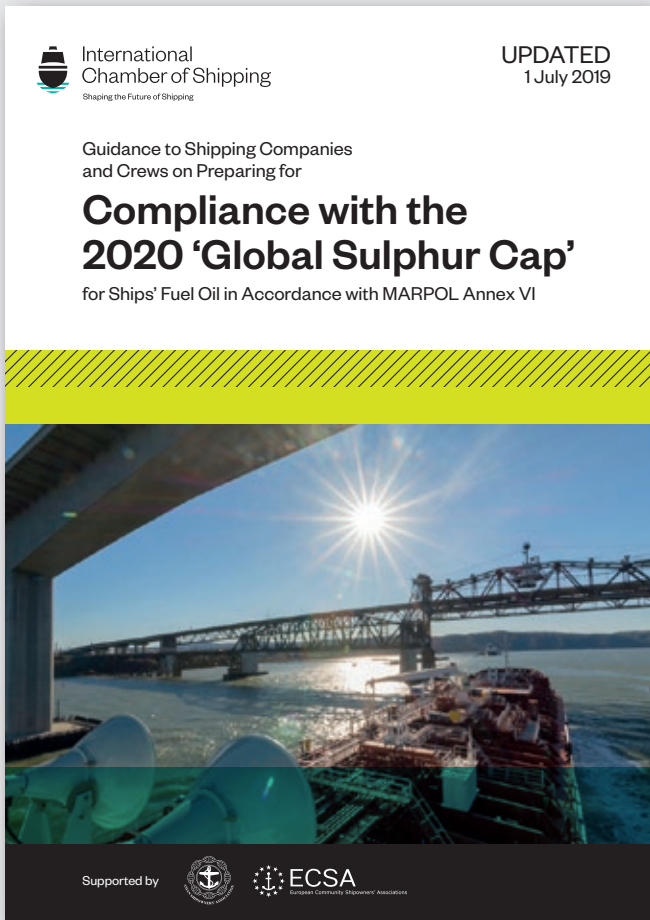


Cutting sulphur emissions helps prevent acid rain, which means:

- Less harm to crops, forests and aquatic species
- Tackling ocean acidification



## Preparing for Compliance





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Shaping the Future of Shipping

UPDATED  
1 July 2019

Guidance to Shipping Companies  
and Crews on Preparing for

### Compliance with the 2020 'Global Sulphur Cap'

for Ships' Fuel Oil in Accordance with MARPOL Annex VI

Supported by  

ICS has produced comprehensive guidance to help shipowners comply with the IMO 0.5% global sulphur cap. This includes advice on the preparation of implementation plans to address challenges such as insufficient availability of safe and compliant fuel in every port worldwide, and related issues such as fuel oil non-availability reporting. The guidelines are intended to help avoid difficulties that might arise, through no fault of the operator, and help shipowners and crews overcome the many practical challenges presented by this major regulatory change.

This free resource – Compliance with the 2020 'Global Sulphur Cap' – is available via the ICS website.

The Guidance emphasises that it is absolutely vital that everyone concerned, including governments, oil producers and bunker suppliers, redouble their efforts to ensure that safe and compatible fuels will be available in every port worldwide.

The switchover to the 0.5% sulphur content limit set by IMO will require additional investment, with the price of marine fuel provided by suppliers potentially increasing by as much as 50%, at a possible collective cost of around US\$50 billion a year. Compliance with this latest cap will be far more complex than the 0.1% sulphur content limit in effect since January 2015 inside IMO designated Emission Control Areas (ECAs). This is due to the global nature of the 0.5% sulphur cap, which will require much larger quantities and different types of low sulphur fuel to be available in every port immediately after 1 January 2020.

The global shipping industry takes its environmental responsibilities very seriously, as demonstrated (in part) by its significant investments for compliance with the new sulphur cap in marine fuels. As we head towards January 2020, the industry will continue to work collaboratively with marine fuel suppliers, as well as regulators at national and international level, to help ensure that the issues standing in the way of compliance with the IMO regulation are successfully overcome. This includes ensuring that the new 0.5% low sulphur fuels to be provided by suppliers are safe, compatible and available in every port worldwide.

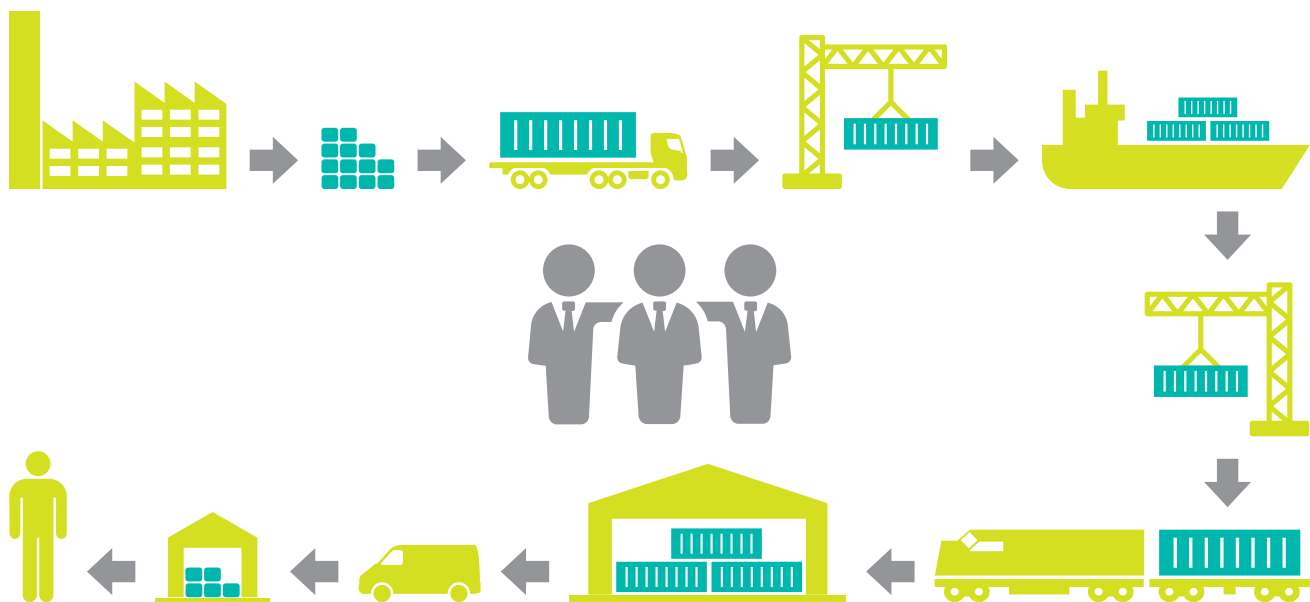


# Strengthening Global Partnerships for Sustainable Development



**Global Shipping is strengthening multi-stakeholder partnerships throughout the maritime logistics chain to help achieve the SDGs.**

As part of the various efforts and initiatives to deliver further environmental improvements for the benefit of society as a whole, the global shipping industry is strengthening the mobilisation of resources from multiple sources to achieve long-term economic, environmental and social sustainability.



Through collaborative initiatives between all actors within the maritime logistics chain, the industry intends to mobilise and share knowledge, expertise, technology and financial resources. This proposed partnership will ensure that the maritime sector and all its beneficiaries are effectively contributing towards the UN 2030 Agenda for Sustainable Development.



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