

PSC INFORMATION NOTICE

PSCN 04 /15

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DEPARTMENT OF ECONOMIC DEVELOPMENT

China introduces Sulphur Emission Control Areas and Requirements for Marine Fuels

The purpose of this notice is to advise shipowners, operators, managers and Masters of Isle of Man registered ships that access Chinese ports of information in regard to the forthcoming introduction of Sulphur requirements on marine fuels

The Isle of Man Ship Registry gives advance notice of the introduction by the Chinese Ministry of Transportation of new regulations designating parts of its coastal waters as emission control areas (ECA) effective the 1st January 2019.

Mandatory port requirements will come into force on the 1st January 2017 for all ports in the designated areas. It has also been decided that eleven key ports within the designated areas will be allowed to impose these requirements for fuel burned at berth as early as 1st January 2016.

General Information & Application:-

From the 1st January 2019 vessels which operate in three designated areas, the Pearl River Delta, Yangtze River Delta and the Bohai Sea will be obliged to use fuel containing less than 0.5 % sulphur.

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

The eleven key ports within the designated areas will be allowed to apply the same requirement to ships at berth as of 1st January 2016, they are, **Guangzhou, Shenzhen, Zhujiang, Shanghai, Ningbo-Zhoushan, Suzhou, Nantong, Tianjin, Qinhuangdao, Tangshan and Huanghua**.

To date none of these ports have yet announced the implementation of the requirements, but information suggests that **Shanghai** may do so sometime in the first half of 2016.

At the end of 2019, the Chinese Government will assess the situation and consider whether it is necessary to reduce the sulphur content 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 the term "ECA" with regard to introduction of these national requirements, it is not linked to MARPOL Convention ECA requirements, it is strictly a Chinese Government 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.

It is understood that, alternative abatement methods, such as exhaust gas cleaning systems and shore power, will be accepted as compliance methods.

Ship Managers are advised to ensure that:

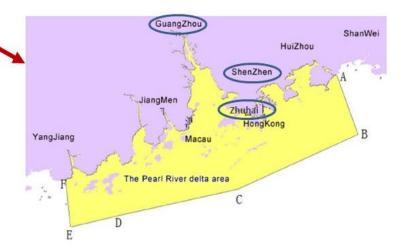
- As of the 1st January 2016 appointed port agents or the port authorities in the designated Chinese ports should be consulted in due time before arrival, regarding the new requirements on sulphur content of fuel oil when arriving in these ports.
- Fuel switching process should be carefully conducted in accordance with detailed changeover procedures from the engine manufacturers.
- It is recommended that a fuel oil management plan is prepared in order to set up changeover and bunkering procedures well in advance.

The three main Chinese coastal areas affected by these new requirements are as follows:

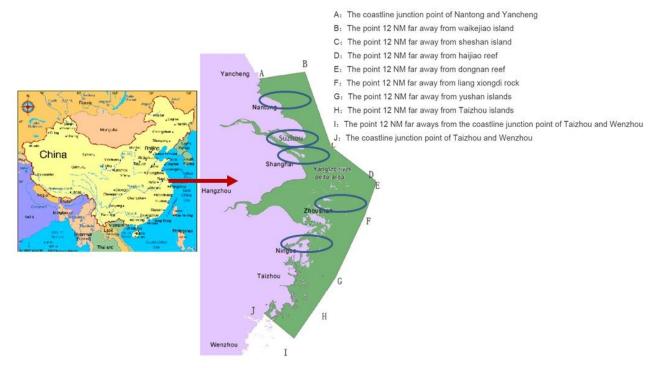
Map 1 - Pearl River Delta



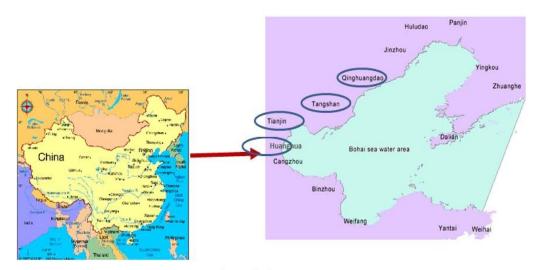
- A : The coastline junction point of Huzhou and Shanwei
- B: The point 12 NM far away from zhengtouyan
- C : the point 12 NM far away from jiapeng islands
- D : the point 12 NM far away from Jiawei island
- E : the point 12 NM far away from Dafanshi island
- F : The coastline junction point of Jiangmen and Yangjiang



Map 2 - Yangtze River Delta



Map 3 - Bohai Sea



Sea boundaries: the sea water inside the line of two points, one is the coastline junction point of Dalian and Dandong; another one is the coastline junction point of Yantai and Weihai.

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