



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 16 December 2009

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INFORMATION NOTE

from: Finnish delegation

to: Council

Subject: Revised Annex VI to the MARPOL Convention - monitoring of developments
and implications

- Information from the Finnish delegation

Delegations will find attached an information note from the Finnish delegation on the above subject in support of its intervention at the TTE Council on 17 December 2009 under "Other business".

**Revised Annex VI to the MARPOL Convention
– monitoring of developments and implications**

Information from the Finnish delegation

The revised Annex VI to the MARPOL Convention will introduce stricter requirements on sulphur contents of fuel oil used on board ships both at global level and in Emissions Control Areas (ECA). The 0,1 % limit on sulphur contents comes into force for the ECAs from the beginning of 2015.

Finland wants to reiterate the need of the European Union to monitor the effects that the entry into force of the new requirements will have. The availability of low sulphur fuel in 2015 and assessment of price development as well as the impact of 0.1 % on shipping industry and possible modal shift need to be examined. Finland emphasizes the importance of finalising the ongoing studies conducted by the EU Commission on these issues as soon as possible.

There are currently great uncertainties regarding the supply and the price level of the new low sulphur fuel oil. The industry considers that the burden of a possibly very high increase in fuel oil prices in combination with other measures to reduce the environmental impact of the sector, such as the Post-Kyoto Process and the discussions in IMO on reduction of greenhouse gas emissions from ships, will be significant.

This will be a very big challenge especially for countries like Finland with very long distances to the main market areas and with the high dependence on the maritime transport. The study conducted at the national level shows that as a result of new requirements for the Baltic Sea ECA there will be a cost increase for the Finnish industry. With the many uncertainties involved, it is difficult to estimate the exact increase in fuel prices and the estimation in the study gives a range between 200 million and 1.18 billion euros. (Sulphur content in ships bunker fuel in 2015. A study on the impacts of the new IMO regulations on transportation costs. 9 April 2009. Publications of the Ministry of Transport and Communications, Finland)

It should also be safeguarded that measures taken in the maritime field do not lead to a modal back shift from sea to land.

The entry into force of the revised ECA rules are not combined with a review clause, which is the case in respect of the new sulphur levels required at the global level. Therefore it is necessary to act swiftly in order to be able to consider appropriate measures to alleviate possible adverse effects, if needed.
