
Policy paper
December 2018

OUR VIEW

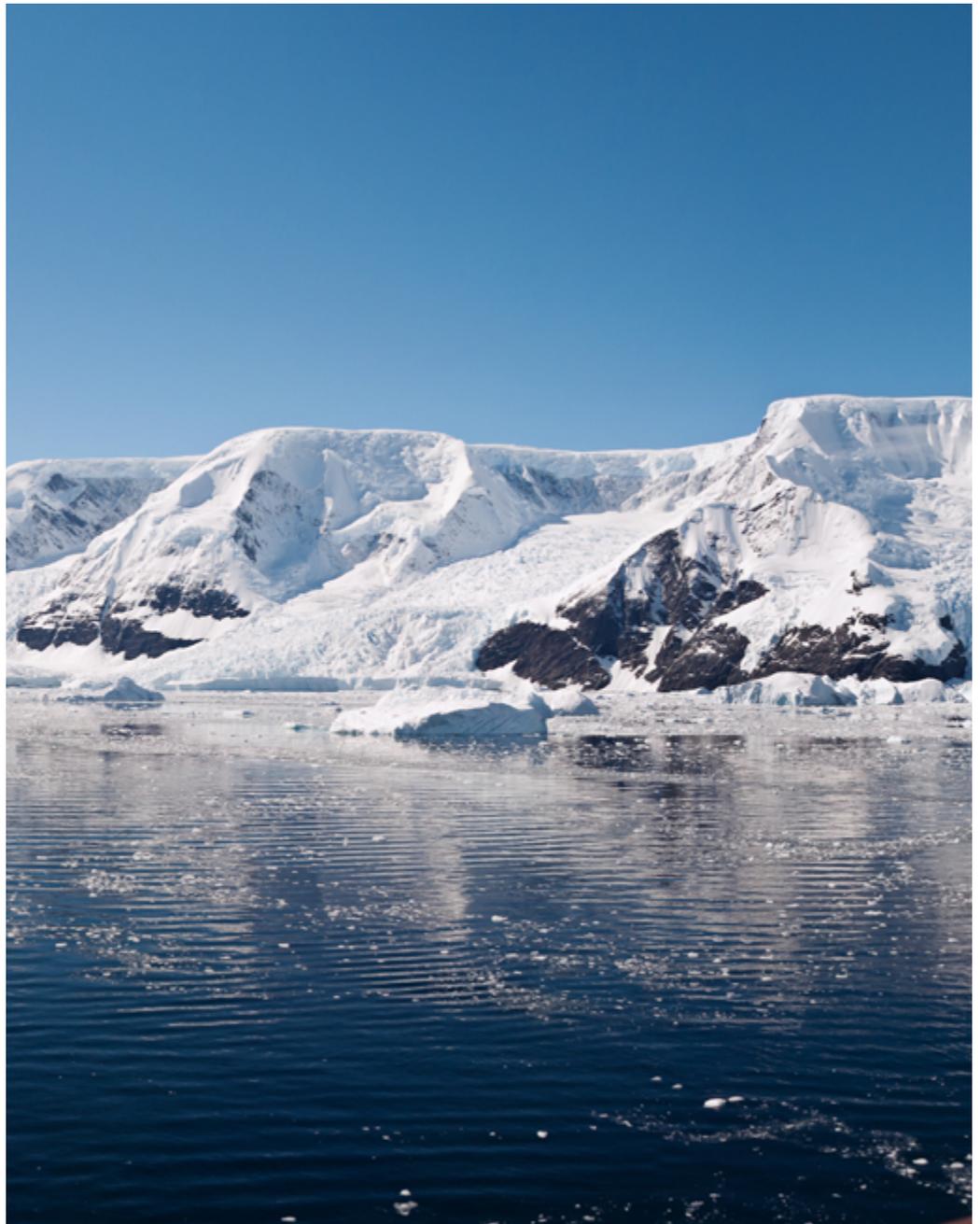
Any new regulation in the Arctic must be clear, enforceable and secure a level playing field within in the shipping industry.

Danish Shipping supports the IMO impact assessment of the economical consequences for the Arctic communities if certain fuel types should be banned.

Danish Shipping will actively engage in developing an up-to-date definition of HFO that takes into account new and cleaner fuel types.

Any new fuel regulation for the Arctic should not prevent ships from carrying fuels that are compliant in waters outside the Arctic.

Members of Danish Shipping are not encouraged to follow the Polar Code's recommendation on not to use or carry certain fuel types and crude oils in the Arctic. Unilateral action will impose unfair competition and have little environmental impact.



Cleaner fuels in the Arctic

The International Maritime Organization, IMO, has now decided to examine the economic consequences for the Arctic communities if it should be made mandatory to use cleaner fuels when sailing in the Arctic. Danish Shipping strongly supports the IMO initiative, since it is necessary to secure that the pristine Arctic environment is preserved in a balanced way.

The Arctic is known for its clean and clarity waters. Both people and animals have been dependent on its resources for many years.

The IMO Polar Code which entered into force on January 2017 contains both requirements for the construction of the ship, but also operative requirements which prevents the ship from harming the pristine Arctic environment. The Polar

Code has in addition a number of recommendations and one of them is encouraging ship owners to avoid the use of high polluting fuels in the Arctic.

As a consequence of increased political awareness of the Arctic environment combined with a number of countries which has called for cleaner fuel requirements, IMO has decided to examine and decide if ships should be forced to use



cleaner fuels. Taking into account the variety of fuels which are on the market now and fuels which must be envisaged to be available in the future, it is of outmost importance to agree on a clear definition on what fuel types that are compliant in the Arctic. This work will be commenced at the IMO Pollution Prevention and Response (PPR) sub committee in February 2019.

As a first step, IMO has decided to embark on an impact assessment that should analyze the economic impact on Arctic communities if traditional fuels are phased out. Until now, common marine gas oil (MGO) has been the only option, if a ship owner should choose to comply with the fuel recommendations in the Polar Code, but new fuel types have recently been introduced and now it is actually

possible to burn compliant fuels which are also classified as Heavy Fuel Oil (HFO).

HFO as fuel in the Arctic constitutes a climate challenge, since the increased black carbon particles absorbs the heat from the sun, when it lands on the ice and thus increases the melting. Oil spill also constitutes an environment challenge since it does not evaporate and it is difficult to recover from the water in the cold and harsh environment, but we consider that the challenge connected to spill has been minimized with the full implementation of the Polar Code.

Danish Shipping finds it of high importance that IMO solves the emission issue by taking decisions on both the use of fuels and their definition in the Arctic on a sustainable and transparent basis.

FACTS

- The Polar Code is a set of requirements that the ships must comply with in addition to the international requirements, if they want to operate in the polar areas. This means for instance that the ship hull must be strengthened if the ship is intended for sailing in ice. Ships are also required to carry special rescue boats and have special trained crew on board.
- Ships that are approaching Greenland as well as transiting the northern sea routes must comply with the Polar Code since these areas are within the geographical scope of the code.
- Today, there are new fuel types which are both classified as HFO and also in compliance with the fuel specifications in the Polar Code.

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