JAPAN P&I NEWS

No.800-16/2/1

To the Members

Dear Sirs,

<u>China – Establishment of Emission Control Areas (ECA) (No.2)</u>

Members are referred to the previous <u>Japan P&I News No.791</u> dated 18 December, 2015, in which they were advised of the establishment of Emission Control Areas (ECA) in Pearl River Delta, Yangtze River Delta and Bohai-rim Waters for reducing the emission of air pollutants from ships.

Huatai Insurance Agency & Consultant Service Ltd., our correspondents in China, has kindly provided the Association with the latest developments as stated in the attached circular.

Please be advised that from 1 April, 2016, ships calling at key ports in Yangtze River Delta including Shanghai, Ningbo-Zhoushan, Suzhou and Nantong, are required to use fuel with sulphur content of no more than 0.5% m/m. The detailed regulation and rules for implementation of the requirements is expected to be issued in the near future. The Association will keep Members informed of further developments.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Attachment: Circular issued by Huatai Insurance Agency & Consultant Service Ltd

Circular Ref No.: PNI1511

Date: 29 Jan 2016

Dear Sir or Madam,

Subject: Latest Development on ECA Issue in China

Reference is made to our previous circular (Ref No.: 1510) on this issue dated 11th December 2015, wherein we advised that MOT issued a New Regulation on Setting of Three Emission Control Areas("ECA") in Pearl River Delta, Yangtze River Delta and Bohai-rim Waters.

Upon liaising with concerned parties, we hereby summarize the developments on this issue as follows for your easy reference:

## 1. Yangzte River Delta

We learnt that Shanghai MSA held a meeting on 21th January 2016 and announced that they intended to require ships to use fuel with sulfur content of ≤ 0.5% when calling key ports, including Shanghai, Ningbo-Zhoushan, Suzhou and Nantong, in Yangzte River Dealta from 1st April 2016. The detailed regulation and rules for implementation of the requirement will depend on official notification issued by port authorities. We shall keep an eye on development in this respect and update our readers timely.

## 2. Pearl River Delta

As per checking with local port authorities, we understand that the ports within Pearl River Delta would not adopt such requirement (sulphur content to be less than 0.50%mm during at berth) for the time being.

## 3. Bohai-rim Waters

Having checked with the key ports in Bohai-rim Waters, we learned that no intention for the port authorities to require higher standard for calling ships at this stage.

As such, owners are recommended to take note of the likely higher standard (not exceeding 0.5%) of fuel sulphur content when calling Shanghai, Ningbo-Zhoushan, Suzhou and Nantong as from 01 April 2016.

Hope the above is of assistance. Should you have any further query, please feel free to let us know.

Sincerely yours,

Cui Jiyu

Vice President