

IAPH World Ports Conference 2015

Hong Kong's Actions to Clean-Up Maritime Emissions

Dr Christine Loh

Under Secretary for the Environment
Environment Bureau, Hong Kong



1. Understanding the science



Air Pollution

- emissions
- nuisance
- public health
- visual

Marine vessels became
the **top emitter**



NO_x
32%



SO₂
50%



RSP
37%

2. Stakeholder leadership - Fair Winds Charter 2011-2014



IAPH HAMBURG 2015
29th WORLD PORTS CONFERENCE

Public-Private dialogue

Shipping leaders started switching fuel at own cost

FWC took shape in 2010

FWC (I) started in 2011

Government subsidy 2012 - 2018

FWC (II) 2013, FWC(III) 2014

The Fair Winds Charter
2011 - 2012

As international carriers, we recognize the emissions from our ships affect air quality in Hong Kong and the Pearl River Delta region. As responsible businesses, we VOLUNTARILY COMMIT TO:

- Switching to a fuel containing 0.50% sulphur content or less ("low sulphur fuel") while at berth (at the terminal or at anchorage) in Hong Kong, to the maximum extent possible;
- Undertaking this voluntary initiative between 1 January 2011 and 31 December 2012;
- Collaborating within our sector and with the Hong Kong SAR and Guangdong Governments to introduce regulation on ship emissions, consistent with international standards.

In support of the HKLSA FAIR WINDS CHARTER, WE:

- Urged the Hong Kong SAR Government to take a lead and work with the Guangdong Government to regulate the use of low sulphur fuel in the Pearl River Delta region by 31 December 2012.
- Urged the Hong Kong SAR Government to encourage broader industry participation by providing incentives, as it has done with other transport modes.
- Encouraged the container terminals to support this initiative by offering advantages to participating ships, as well as by addressing emissions from cargo handling equipment, and the trucks and local craft that service the terminals.
- Encouraged ocean-going passenger liners and other maritime users of the Port of Hong Kong to use low sulphur fuel while at berth in Hong Kong.
- Encouraged cargo producers and buyers to favour participating shipping lines as a way of meeting their sustainable supply chain commitments.
- Welcomed the support of end consumers who purchase the goods that the shipping industry carries.

FWC 2012 Members:

ALIANCA, APL, Crystal Cruises, CMA CGM, EVERGREEN LINE, HAMBURG SÜD, Hapag-Lloyd, HMM, MAERSK LINE, MOL, NYY, OOCL, Prestige Cruise Holdings, YANG MING

The Fair Winds Charter 2013

As operators of international ocean-going vessels, we recognize that emissions from our ships affect air quality in Hong Kong and the Pearl River Delta region. We believe that all stakeholders have a shared responsibility to improve the environment. Positive steps have been made in both the private and public sector to address the issue. We introduced the Fair Winds Charter (FWC), the world's first industry-led voluntary at-berth fuel switching initiative. The Hong Kong Government responded by introducing an incentive scheme in support of the industry's action.

WE RENEW OUR COMMITMENT TO:

- Switch to a fuel with 0.5% sulphur content or less ("low sulphur fuel") while at berth in Hong Kong, to the maximum extent possible;
- Extend this voluntary initiative until 31 December 2013; and
- Collaborate within our sector and with the Hong Kong, Shenzhen and Guangdong governments to introduce regulation on ship emissions, consistent with international standards.

WE CALL ON THE HONG KONG GOVERNMENT TO WORK WITH THE INDUSTRY TO FURTHER IMPROVE EMISSION CONTROL EFFORTS:

- By gazetting legislation for at-berth fuel switching or equivalent measures for all ocean-going vessels in Hong Kong by January 2014, so that there is a level-playing field for the industry;
- By simplifying the process of operation of the port dues incentive scheme which offers incentives to operators switching fuel in Hong Kong;
- By encouraging the widest possible participation before the regulation is in place through an improved incentive structure;
- By cooperating with regional governments to develop pan-PRD regulation; and
- By ensuring a common control scheme across the PRD region for operational, safety and competitive reasons.

We believe that having switched fuel on a voluntary basis for 3 years, FWC signatories will have made a significant contribution towards addressing the issue of maritime emissions in Hong Kong. Without regulation, however, FWC participants are shouldering the cost of such actions whilst competitors are not obliged to bear the cost of reducing emissions.

If there is no substantial progress towards mandatory regulation by 31 December 2013, participating members may cease their voluntary fuel switching actions at that time.

We remain open to discussing with government and other stakeholders new initiatives (e.g. slow steaming) which can contribute to further reductions in marine emissions, leading eventually to the establishment of an Emissions Control Area (ECA) for the whole PRD region.

We call on all stakeholders (including terminals, cargo owners, consumers) to support FWC 2013. In particular, we encourage other operators of ocean going vessels in Hong Kong waters to join FWC 2013. Furthermore, we encourage all stakeholders to join government and industry by participating in the spirit of FWC 2013.

FWC 2013 Members:

ALIANCA, APL, CHINA NAVIGATION, CMA CGM, HAMBURG SÜD, Hapag-Lloyd, HMM, MAERSK LINE, MOL, NYY, OOCL, Pacific Basin, WAH KWONG, WAN HAI LINES LTD.

Supporting Organisations:

HKLSA, HKSOA, CWC, WALLEN



**HKLSA & HKSOA Extend Fair Winds Charter,
Reducing Marine Emission**

Hong Kong, 12 February, 2014 – The Hong Kong Liner Shipping Association (HKLSA) and the Hong Kong Shipowners Association (HKSOA) have agreed to continue their support for reduced emissions in the maritime sector by extending the Fair Winds Charter 2013 for another year.

The FWC2013, which was due to expire end of December 2013, lays out the industry's commitment to switching to low sulphur content fuel while in Hong Kong port. It is a strategic, intentional, and voluntary effort started at the end of 2010 involving many of Hong Kong's leading carriers and cruise liners. Arthur Bowring, Secretary General of the HKSOA says, "The pioneering work to switch to low sulphur fuel in Hong Kong under the 'Fair Winds Charter' shows the shipping industry's commitment to work with government to tackle the challenges of marine emissions. We are pleased to once again see the Chief Executive's support in the Policy Address for action to address this issue, and believe that by working together, government and the shipping industry can achieve significant improvements in air quality in HK."

The Fair Winds Charter is jointly sponsored by the HKLSA and the HKSOA, and couples the industry's commitment to fuel switch together with active support towards a number of targets – including gazetted legislation for fuel switch in HK by 2015, support and participation by other industry stakeholders, and strategic engagement with cross-border economies that would see overall reduction of marine emissions in the greater Pearl River Delta region.

Roberto Giannetta, Secretary General for the HKLSA says, "Since the FWC was signed, we have seen strong support from the HK government in terms of financial assistance through port due subsidies and engagement with industry in the drafting of potential legislation mandating fuel switch in Hong Kong. While there has been some progress in addressing air emission targets in Shenzhen and Guangzhou, PRD regional targets have not progress very far yet. We hope that by extending the FWC for another year, thus showing our commitment and support, that we are ready to cooperate, in whatever way possible, with PRD regional governments in establishing realistic, achievable emissions reduction targets in the near future. These targets could, then eventually, lead to a wider Emissions Control Area covering the greater air-shed we breathe."

This renewed commitment by the shipping industry will extend the FWC2013 until Dec 2014, after which time fuel switching is expected to become mandatory through legislation in Hong Kong. This will also give HK and PRD governments a further 12-month window to come together on some meaningful, concrete and practical measures that will see HK's air quality continue to improve in the coming years.

3. Support for legislation

Fuel Switch at Berth

**Industry and political support
July 2013**

New law to commence in July 2015

Pioneer in Asia

Marine Light Diesel

**Industry and political support
March - April 2013**

Law commenced in April 2014



4. Regional Collaboration



- Make fuel switch at berth a common practice of the PRD region
- Set up an emission control area is the long term goal