



Customer Information

27th September 2019

IMO 2020 Fuel Legislation: Update

From 1st January, 2020, a global regulation will come into force changing the type of fuel all shipping lines must use. The aim of the regulation is to reduce air pollution from ships. Whereas today ships can use fuel with up to 3.5% sulphur content, the new global sulphur cap will be 0.5%. We are proud to be part of this initiative which will reduce sulphur oxide emissions of shipping.

Currently the cost of 0.5% sulphur fuel is higher than that of the present fuel used by the industry. This additional shipping cost will impact our fuel surcharges as from December 2019 as we begin to purchase this fuel in order to be compliant on 1st January 2020.

Bunker Adjustment Factor (BAF)

In 2019, we have used the price of our current fuel – IFO 380 with 3.5% sulphur content to calculate our BAF surcharge.

From 1st January 2020, the BAF calculation will be based on the fuel price for 0.1% sulphur content Marine Gas Oil, less a standard deduction of USD 50 per ton. Currently Marine Gas Oil is the only fuel type with a publically available index for tracking global price movements.



Thank you for your past support of our services and we look forward to continuously serving your global transportation needs.

Please contact your local Hamburg Süd representative for more information on the IMO 2020 Global Sulphur Cap.

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