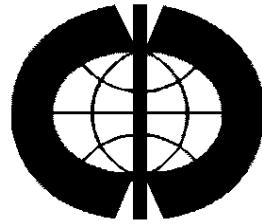


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# INTERCARGO

INTERNATIONAL ASSOCIATION OF DRY CARGO SHIOPWNERS



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## News Release

04/12

### Intercargo calls for Charterers to support IMO process to implement fuel efficiency measures for shipping

***Alternative Environmental Ratings Systems are premature and often inaccurate***

Following the recent announcement from Charterers applying an ‘Existing Vessel Design Index’ (EVDI : TM) to the ships they charter, Intercargo, the trade Association representing the interests of the bulk shipping industry, has today called for further dialogue to ensure that Charterers remain connected with ongoing environmental IMO discussions.

Intercargo believes that failure to appreciate the improved energy efficiency legislation work already in progress will marginalise and render Charterers’ proposals obsolete before implementation.

“We appreciate Charterers’ attempts to supplement their existing methods of selecting and legally contracting vessels on the basis of fuel efficiency, and this is supportable” said Rob Lomas, Secretary General of Intercargo, but he continued “the systems currently being promoted are inaccurate as they may not use the contractually agreed existing fuel consumption figures, and the commonly known ‘refrigerator rating system’ is overly simplistic and has yet to be cleared by IMO”.

Back in March 2012, MEPC 63 unanimously agreed that the EEDI as specified in MARPOL VI/Chapter 4 is not to be applied to existing ships. EVDI has as its basis, EEDI and using it for existing ships needs to take into account IMO’s lack of support.

Lomas added “of course Charterers wish to take fuel efficiency into account before chartering vessels as they always have, and the current, challenging market conditions require careful attention to operating costs, including fuel consumption. The market is efficiently weeding out less fuel efficient ships with around 400 bulk

carriers scheduled to be recycled this year alone, fleet modernisation and operational measures are already having an impact - what we don't want is yet another simplistic and inaccurate rating system which fails to take into account the progress made at IMO and which merely loads additional costs into the entire supply chain for no conceivable environmental benefit."

From 1 January 2013, shipowners will be subject to a number of important environmental measures for new ships, and the mandatory EEDI and SEEMP will do a great deal for energy efficiency and are widely and enthusiastically supported by shipping Associations.

Depending on the contractual arrangements with the shipowner and the type of Charter Party used, charterers themselves may be responsible for voyage planning and therefore fuel consumption. Requiring owners to correct erroneous data for an equation which cannot be linked to existing ships will merely compound the inaccuracies.

In addition, the Energy Efficiency Operational Indicator (EEOI) agreed at IMO MEPC59 establishes a consistent approach for measuring ships energy efficiency at each voyage or over a certain period of time, which will assist shipowners and ship operators in the evaluation of the operational performance of their fleet.

"But" Lomas commented, "Currently, we believe that the EEOI cannot be used to compare like-with-like. Sea-trials for existing ships add additional costs to the shippers and receivers of seaborne cargoes and cannot be implemented with anything like the ease by which proponents support them."

"We also lay down a challenge to the Charterers to become more involved with the IMO process and to get charterers and shippers involved in genuine energy efficiency measures will need a change of thinking – to ensure that we view the supply chain in its entirety, from origin of the goods to their final consumers. We look forward to that day, while remaining opposed to measures which overly simplify or use inaccurate information."

Intercargo urges the proliferating numbers of self-styled rating schemes – ESI, EVDI, and the Ports Industries to work together within the IMO process to avoid further confusion.

/Ends.

#### Notes to Editors

Intercargo represents over 160 bulk carrier owners/operators (vessels engaged in the transport of dry bulk commodities such as coal, grain and iron ore) and associates. With Non-Governmental Organisation status at the International Maritime Organization (IMO), Intercargo's objective is the creation of a "safe, efficient and environmentally friendly" dry cargo sector.

#### Further information

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