

IMPLEMENTATION OF MEDITERRANEAN SEA EMISSION CONTROL AREA (ECA) REGULATION

MSC CUSTOMER ADVISORY

Geneva, Switzerland, 07 April 2025

Dear Customers,

The International Maritime Organization (IMO) has extended its Emission Control Area (ECA) to also include the Mediterranean Sea per MARPOL Annex VI Regulation 14. The extension designating the Mediterranean Sea as an ECA zone will take effect 01 May 2025. This regulation will limit the sulphur content of fuels used by vessels operating in the Mediterranean Sea. This is expected to incentivize the use of lower emission fuels within the EU and result in better air quality regionally and locally.

Impact of Mediterranean Sea ECA Designation

As a result of the Mediterranean Sea designation by the IMO as an ECA zone there will be higher operating costs to comply with the requirement to use fuels with limited sulphur content. Customers will contribute to the additional cost of complying as they do for other forms of regulation such as IMO 2020.

How will Mediterranean Sea ECA Costs be Applied

The increased operating costs will be applied per trade through an emissions charge to cover the Mediterranean zone. The implementation of this regulation will also be applicable to any cargo inside the Mediterranean ECA zone on 01 May 2025.

Should you have any questions about the implementation of the Mediterranean Sea Emission Control Area regulation, please <u>contact your local MSC representatives</u> in our global network of more than 675 offices.

MSC Mediterranean Shipping Company