

UPCOMING CHANGES TO LOW SULPHUR FUEL IN SHIPPING - ARE YOU READY?

From 1 January 2020, all ships and vessels operating anywhere in the world will be required to use fuel which contains a maximum of 0.5 per cent sulphur.

This change has the potential to increase marine demand for diesel not just in Australia but worldwide. This matter is directly relevant to the Australasian rail industry, given our heavy reliance on diesel, particularly the rail freight sector.

This new limit aims to reduce the impacts of sulphur oxide emissions on the environment and human health. This change was agreed by the International Maritime Organization, of which Australia is a signatory.

The Australian Maritime Safety Authority is advising the marine industry that as well as using fuel with a sulphur content of less than 0.5 per cent, ships can use alternative fuels such as methanol, Liquefied natural Gas, or diesel, as diesel fuels are generally below the 0.5 percent sulphur content threshold.

Given this requirement is coming into effect in less than 12 months' time, the Australasian Railway Association is encouraging its members to ensure they are prepared for this change, and if necessary, to discuss the matter with their fuel suppliers.