

Press release 24 January 2013

## **SULPHUR REGULATION IN BALTIC SEA REGION – SCENARIOS FOR THE MID NORDIC REGION, THREATS AND OPPORTUNITIES**

NECL II –project has produced a study on how the future sulphur directive on the Baltic Sea will affect the Mid Nordic region for Sweden, Finland and Norway. The study is based on known facts but also on analyses and estimates from academy, industry and authorities. The report covers three perspectives, Maritime, Industry and Logistics. The consequences, threats, and opportunities are elaborated with the time scenarios 2020 and 2030, but starting in the current situation 2012 and what most likely will happen in 2015.

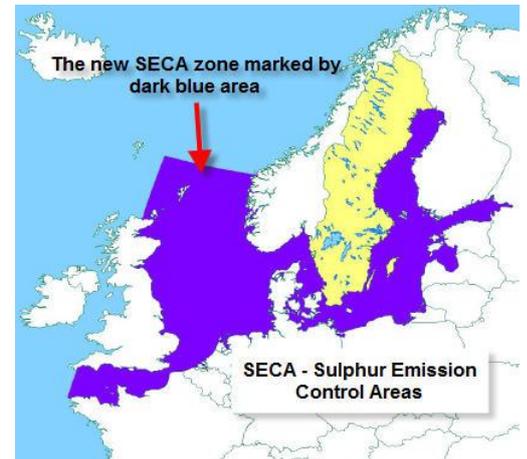
### **Conclusions**

The IMO agreement regarding SO<sub>x</sub> emissions will get into force that's not any longer a matter of debate.

What on the other hand needs to be a matter of debate is what action's need, will and can be taken and by whom...

This will lead to the undisputable conclusion that the agreement and its impact now need to be transferred from being a political environmental issue to be turned into a transport policy issue.

The possibilities and consequences now need to be transferred and become an issue for the Ministry of Enterprise, Energy and Communications to handle.



The SECA -area. Photo from: <http://anchortime.com>

### **IMO agreement**

The issue of the IMO agreement regarding SO<sub>x</sub> emissions (MARPOL Annex VI) has politically so far been treated as a *political environmental issue*, which it is from the start, since the very reason for the agreement was to lower the emissions in order to improve people's health.

However when the consequences hit the transport sector via the adaptation of the new regulations, e.g. change of fuels, ship technology, the need for new infrastructure, (possible) modal back-shift, etc., there is a major risk that the consequences for the transport sector will back-fire having a huge impact on the industries' possibilities to be competitive on a global market.

There is a need for active support to industry sectors most affected by the directive, i.e. forest, chemical and steel industry, keeping in mind that Norway, Finland and Sweden are countries where domestic important companies have long transport routes to their main markets.

These industries are already today exposed to harsh competition from other countries and the IMO agreement will regardless what increase the transport costs on general basis.

### **What can be done?**

What can be done on political level is to implement mitigating measures for eliminating the negative consequences and stimulate the needed change. These measures need to be coordinated between the countries in the Baltic Sea region in order to avoid problem transfer between countries.

There is a need for both investment grants and innovation support as well as for a time period other measures e.g. lower fairway charges, investment grants for LNG infrastructure, transport subsidies to ports in e.g. Bothnian Sea and Gulf of Bothnia, increased funding for R&D and innovation, etc.

Without active support, for some of the industries, the alternative might be to close down or invest somewhere else and this would be a domestic worst case scenario in many ways.

### **Project Manager Per-Åke Hultstedt says....**

*-There are always threats regarding implementation of new regulations. One threat is that the issue is handled domestically isolated in each country affected and this might end up with different regulations and migration of problems between countries.*

*Another major threat is that decisions made and actions taken are not done in symbiosis between different transport modes (not looking at the whole picture) with modal back-shift as a result and that might jeopardize the whole idea with the new regulation.*

### **Download**

The report and summaries (in English, Swedish and Finnish) can be downloaded in PDF format.

#### **Report:**

[http://www.midnordictc.net/newsevents/newsarchive/sulfurregulationinbalticsearegionscenariosforthemi  
dnordicregionthreatsandopportunities](http://www.midnordictc.net/newsevents/newsarchive/sulfurregulationinbalticsearegionscenariosforthemi<br/>dnordicregionthreatsandopportunities)

**Website:** [www.midnordictc.net](http://www.midnordictc.net)

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