

Sabrina Chao  
President of BIMCO  
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2880 Bagsværd  
Denmark

20th December 2022

Dear Ms. President,

**RE: The urgent decarbonisation of shipping requires ALL stakeholders to contribute**

We trust that this letter finds you well. As signatories to this letter, we are reaching out to you following the adoption and publication of the long-awaited BIMCO CII Operations Clause for Time Charter Parties. Please note the below signatories are sending this as an “open letter” and copies will be shared with selected media outlets.

This group of major charterers, the majority of which are BIMCO members and representing a substantial share of the chartering demand, believe that operational measures require close collaboration between owners and charterers. Shifting CII requirements disproportionately to charterers is detrimental to achieving a good outcome for each individual vessel with the IMO regulation. Members of this group voiced serious concerns in respect of the BIMCO CII clause as early as April 2022.

It is beyond doubt that BIMCO faced a difficult task, given the complexity of the CII regime and the challenge of how to align this with existing charterparty obligations. The efforts and time spent on this difficult topic has been greatly appreciated by all actors in the industry.

The decarbonization of shipping requires the proactive involvement of every single actor in the maritime sector. However, the BIMCO CII clause, as adopted, places the obligation to comply with CII disproportionately on charterers. That approach removes the important incentive on owners to do their fair share for decarbonisation efforts and fails to recognise that owners are primarily responsible under the IMO regulations.

Throughout the BIMCO process, constructive and measured proposals for amendments were made by all parties present. The aim was to secure the adoption of a clause which would strike the right balance and enhance collaboration between owners and charterers to lower greenhouse gas emissions. Unfortunately, key provisions that were proposed concerning, for example, vessel performance and maintenance were not accepted in the final text. **This makes the BIMCO clause imbalanced and unusable for the members of this group** and will likely lead to a wide variety of “home grown” CII clauses or – to owners’ detriment – no clause being agreed.

This does not mean that charterers do not support greenhouse gas emissions reductions in shipping. Charterers co-signing this joint statement recognize the importance of this topic and will continue to act in this regard. They will not shy away from their role in commercially operating the vessel and complying with the CII regulations, but owners remain equally responsible for maintaining the vessel’s operating efficiency, technical operations, navigation, insurance, crew, and all other related matters. Indeed, the majority of those involved in this statement are both owners and charterers. They understand both sides of this issue, are well aware of the constraints and responsibilities that owners face, and are taking sensible investment decisions to improve their fleets.

There are a considerable number of measures available to owners to optimize fuel consumption, such as various retrofitting options, modern hull coating technologies, energy management, engine tuning, draft/deadweight increase, trim optimization, high tech lubes and additives, intensive engine crew

training and others. It is owners' role to optimize vessels from the technical side during every day of operation. In conjunction with that, it is charterers' role to ensure that vessels are operated as efficiently as possible.

In circumstances where charterers' employment orders are only partly responsible for the CII rating, this group does not accept taking wholesale responsibility for compliance with the regulations. This has been one of the biggest sticking points in the discussions.

Unfortunately, the BIMCO CII clause falls short of expectations. Consequently, the signatories of this statement wish to continue to collaborate to develop alternative CII clauses that fairly share the responsibility for the journey towards decarbonization between owners and charterers.

This group hopes that the industry is able to find a common understanding on the matter to the benefit of the overall goal of keeping global temperatures aligned with the Paris Climate Agreement.

Yours sincerely,

Signatories

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| <b>ADMIntermare, a division of ADM International SARL</b> | <b>Mercuria Shipping PTE Ltd</b>  |
| <b>Amaggi Sa</b>  | <b>MSC Mediterranean Shipping Company SA</b>  |
| <b>A.P. Moller – Maersk A/S</b>                           | <b>Dampskibsselskabet NORDEN A/S</b>  |
| <b>Bunge S/A</b>  | <b>Oldendorff Carriers GmbH &amp; Co KG</b>   |
| <b>Clearlake Shipping</b>                                 | <b>Panagaea Logistics Solution<br/>Nordic Bulk Carriers<br/>Americas Bulk Transport<br/>Phoenix Bulk Carriers</b> |
| <b>CMA CGM</b>  | <b>Stena Bulk</b>   |
| <b>COFCO INTERNATIONAL FREIGHT S.A</b>                    | <b>Trafigura</b>  |
| <b>Engelhart CTP Freight (Switzerland) SA</b>             | <b>Unifeeder A/S</b>  |
| <b>Hapag-Lloyd AG</b>                                     | <b>Vitol S.A.</b>   |
| <b>Louis Dreyfus Company</b>                              | <b>Wallenius Wilhelmsen Ocean AS</b>  |