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How is the Baltic meeting regulatory challenges?

David Dingle, Chairman Carnival UK

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The Baltic in context

- Attracts almost 6m cruise bed nights per year, 3-4% of industry capacity
- High-yielding Summer cruise destination
- Shoulder season deployment marginal due to lower yields and high costs
- Cruise economic benefit (total) to Baltic littoral states estimated at €3 billion
- The Baltic and the cruise industry are valuable to each other
- As a shallow (almost) inland sea, the Baltic has major environmental issues

Source CLIA (Cruise Lines International Association)

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Source: Tata Consulting

The Baltic Special Area

- The IMO has declared the Baltic Sea a special area (Marpol Annex IV)
- Untreated and *treated* black water cannot be released into the sea from 2019 (new ships) and 2021 (existing ships)
- Special area designation depended on assurances that there will be *adequate port reception facilities* in time
- Since 2009 CLIA has pledged always to use adequate port reception facilities where no special fee applies
- “Adequate” should include adequate numbers of facilities and adequate pumping capacities
- Cruise ships depend on a network of Baltic ports with adequate PRFs due to high volumes of black/co-mingled waste water

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Source: Tata Consulting

The Baltic Special Area – key issues

- Will there be adequate port reception facilities in time?
- CLIA members have participated in a simulation exercise to test current adequacy of reception facilities – the results will be published shortly
- A number of Baltic ports are taking significant action to install adequate reception facilities...
- ...but questions remain:
  - will ports have enough berths equipped for multiple calls?
  - will pumping capacities be adequate?
  - what derogations will exist if facilities are for any reason unavailable?

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Source: Tata Consulting

Port charge environmental incentives

- Some Baltic ports intend to introduce incentives for environmental performance within port charges.
- Support for environmental forerunners is welcome, but there is a series of issues to be dealt with.
- Consultation between ports and industry is vital – technologies vary by ship and no two ports have the same issues.
- Objectives must be realistic not idealistic, with sensible business cases to support them.
- Ports must play their part in supporting higher environmental objectives.

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Source: Tata Consulting