



## Worldwide Price Announcement – IMO 2020 Transition Charge (ITC)

Dear

The maritime industry is facing great changes, entailing a radical transformation: to remain **fully compliant with latest IMO requirements**, vessels may only use marine fuel (LSFO) with a maximum sulphur content of 0.5 percent, as opposed to the current capping of 3.5 percent.

The well communicated **IMO 2020 regulation** is so far the largest in a series of International Maritime Organization (IMO) measures to reduce marine pollution. Using low sulphur fuel oil will be the key as most environmentally friendly short term solution for the shipping industry to remain compliant. As Hapag-Lloyd, we fully subscribe to these goals.

Our already well known and industrywide well accepted **Marine Fuel Recovery (MFR) mechanism**, introduced on February 1, 2019 will consider taking on compliant fuel starting with the 1st quarter 2020, with a focus on cargoes contracted for long- and medium-term periods.

For adequate coverage of **all FAK cargo, Spot- and "Quick Quotes" business**, a supplementary element needs to be applied in addition to the MFR, in order to recover the fuel spread between HSFO 3.5% and LSFO 0.5% as well as operational transition costs that are not part of the MFR calculation.

Therefore, and applicable to this particular cargo segment only, we will introduce an **IMO 2020 Transition Charge (ITC) as of December 1, 2019**, valid until further notice, with details per trade as outlined in the table below:

## ITC values

Validity:		All Container Types		
Dec 1st, 2019 Valid until further notice		ITC values		
Trade	ITC Relation <sup>1)</sup>	[USD/TEU]	[EUR/TEU]	[GBP/TEU]
		Atlantic	Europe / North America	95
EMA	Asia / Africa	180	159	149
EMA	Intra Europe	65	57	54
EMA	Europe / Africa	125	110	103
EMA	Intra Africa	160	141	132
EMA	Latin America / Africa	105	93	87
EMA	North America / Africa	180	159	149
Far East	Asia / Europe	135	119	111
Far East	Europe / Oceania	210	185	173
Intra Asia	Intra Asia	80	70	66
Intra Asia	Asia / Middle East	110	97	91
Intra Asia	Oceania / Asia	125	110	103
IRT Americas	Intra Latin America	85	75	70
IRT Americas	Latin America / North America	120	106	99
IRT Americas	Intra North America	100	88	83
Latin America - Asia	Asia / Latin America	180	159	149
Latin America - Asia	Asia / Latin America West	180	159	149
Latin America - Asia	Latin America / Middle East	180	159	149
Latin America - Europe	Europe / Latin America	115	101	95
Latin America - Europe	Europe / Latin America West	155	137	128
Latin America - Europe	Europe / Mexico	95	84	78
Middle East	Europe / Middle East	110	97	91
Middle East	Intra Middle East	70	62	58
TransPacific	Asia / North America	130	115	107
TransPacific	Latin America / Oceania	205	181	169
TransPacific	North America / Middle East	125	110	103
TransPacific	Oceania / North America	185	163	153

1) Roundtrip (both directions)

Mid- and long-term business will not be affected by the ITC and is charged with the MFR only.

Kindly note that **in respect of exports from China, Hong Kong (China) and Macau (China)** only, the ITC will exceptionally not be charged in addition to the MFR; instead the **ITC will be the only charge applied** during the transition period.

For further information, please contact your [local Hapag-Lloyd office](#) or reach out to our experts, who are looking forward to assisting you via E-mail, LinkedIn portal or our telephone service under +49 40 3001 3960 from 9am to 6pm (CET).

We are here for you - If you have any open questions, please [contact us](#).

**Best regards**



**Michael**

**From our Customer**

**Communication Team**

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