



# Nippon Express NEC Logistics Hong Kong Limited.

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Date: 03<sup>rd</sup> October, 2019,

## **Re: New Bunker Adjustment Factor-Compliance with IMO 2020 Regulations**

Dear Valued customer,

International Marine Organization (IMO) has decided to carry out the new regulation on Sulphur Oxides (SO<sub>x</sub>) emissions for all commercial ships with effect from **1<sup>st</sup> January, 2020**; new regulation has reduced the Sox emissions by reducing the sulphur content of Marine Gas Oil (MGO) from 3.5% to 0.5%.

In order to prepare for IMO2020 regulation, liners have started to adapt the new MGO on the coming November; With effect from **1<sup>st</sup> November, 2019 (By ETA/ETD)**, the New Bunker Adjustment Factor will be implemented for all outbound/inbound cargoes from/to Hong Kong, details are as follows:

Surcharge Name	: New Bunker Adjustment Factor (BAF)	
Calculation method	: Average of MGO (Hong Kong) Price <b>within</b> a Month	
Amount	: Intra-Asia (A)	: Intra-Asia (B)
	: 40 USD/TEU	: 75 USD/TEU
Effective Date	: 1 <sup>st</sup> November, 2019	
Updates On	: Every Month, as per carrier's instructions	

\*Above surcharge subject to carrier's change without prior notice

\*Attached list in appendix for definition of Intra-Asia (A) / (B), it depends on the distance from HKG to destinations.

\*All inbound cargo subject to LSD: 20 USD/TEU, and it remain unchanged.

Thank you for your kind attention on the above matter. Should you have any enquiries, please do not hesitate to contact us.

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Yours faithfully,

*Sales Development Division*

Nippon Express NEC Logistics Hong Kong Limited.

*This is a computer printout letter that requires no signature*

Appendix

- For Intra Asia trade lanes, the [ Region A] and [Region B] is categorized by distance as below :

	JPN	KOR	N.PRC	E.PRC	S.PRC	HKG	TWN	PHL	Hai Phong	S.VNM	KHM	THA	SGP	MYS	IDN	MMR
JPN		A	A	A	A	A	A	B	B	B	B	B	B	B	B	B
KOR	A		A	A	A	A	A	B	B	B	B	B	B	B	B	B
N.PRC	A	A						B	B	B	B	B	B	B	B	B
E.PRC	A	A						A	B	B	B	B	B	B	B	B
S.PRC	A	A						A	A	A	A	B	B	B	B	B
HKG	A	A						A	A	A	A	B	B	B	B	B
TWN	A	A						A	A	A	A	B	B	B	B	B
PHL	B	B	B	A	A	A	A		A	A	B	B	A	B	B	B
Hai Phong	B	B	B	B	A	A	A	A			A	A	A	B	B	B
S.VNM	B	B	B	B	A	A	A	A			A	A	A	A	A	B
KHM	B	B	B	B	A	A	A	B	A	A		A	A	A	A	B
THA	B	B	B	B	B	B	B	B	A	A	A		A	A	A	B
SGP	B	B	B	B	B	B	B	A	A	A	A	A		A	A	A
MYS	B	B	B	B	B	B	B	B	B	A	A	A	A		A	A
IDN	B	B	B	B	B	B	B	B	B	A	A	A	A	A		A
MMR	B	B	B	B	B	B	B	B	B	B	B	B	A	A	A	