NEC

Nippon Express NEC Logistics Hong Kong Limited.

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Date: 16th January, 2020,

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$_x$) emissions for all commercial ships with effect from 1st 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 *01st February, 2020 (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 (NBAF)		
Calculation method	:	Average of MGO (Hong Kong) Price **within** a Month		
Amount	:	Intra-Asia (A)	Intra-Asia (B)	LCL
		59 USD/TEU	102 USD/TEU	4 USD/RT
Effective Date	:	01st February, 2020		
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.
(As per actual cost by carrier)

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	