

Cockett CEO: Not our job to enforce sulphur cap

Jonathan Robins, Senior Journalist | 28 August 2018



Cem Saral is concerned that compliance could fall to bunker suppliers. Credit: Cockett Marine Oil

With less than 18 months to go until the International Maritime Organisation's (IMO's) 2020 sulphur cap comes into force, Cem Saral, chief executive officer of bunker reseller Cockett Marine Oil, remains concerned – although far from panicked – about the bunker industry's preparedness for the switchover.

"We have not used the last year to our advantage as an industry to provide a clarity on certain issues for our customers," Saral told *Fairplay*, "In terms of key issues I don't think we are any clearer now than a year ago."

He lists the issue of availability of new low-sulphur fuels, as well as their quality and compatibility, as areas that needs attention. But his most immediate concern regards enforcement.

There has been some clarity from the IMO on how national authorities should regulate the sulphur cap, yet there is still no system that enshrines how enforcement should look globally, and that will allow the industry to identify those players that do not abide by the rules.

Saral's concern is that this could lead to the burden of enforcement falling to bunker suppliers.

"There is no compliance or enforcement regulation that limits sell-side what to put on the ship, the compliance burden is on the consumer," he says, referencing an [IMO regulation set to come into force in March 2020](#) that will ban high-sulphur heavy fuel oil (HFO) from being carried on vessels, unless they are fitted with abatement technology called scrubbers.

Placing bunker providers in the position of enforcing the sulphur cap, and deciding whether to provide HFO to ships that have requested it, "will be a very personal decision," he says, one that bunker providers would rather not have to make. "The commercial engagement will have to decide whether they will be comfortable trading, knowing that the vessel does not have a scrubber."

And what if Cockett itself is asked to supply HFO to a vessel that does not have a scrubber? "We are working closely with the industry, authorities and our shareholders to redefine how we engage into post 2020 affairs," he says, "we are respectful of emission controls, including IMO 2020, and our goal is to comply with them. In terms of what types of measures and control we can implement, it's too soon to say what they will be."

Nevertheless, he believes it is unrealistic to believe that all players will abide by the regulations, including shipowners and bunker providers, although they are less likely to chance it in well-regulated larger hubs than smaller ones.

Turning to low-sulphur fuels, Saral believes that owners will [initially switch to using marine gasoil \(MGO\)](#) because they already have experience of using it. But as new compliant fuels are introduced and know-how on their quality and compatibility increases, their role in the fuel mix will increase. This will differ depending on the location, as it may not make commercial or logistical sense to supply new fuels to smaller non-hub ports.

A lack of knowledge about the composition of these new blends means that more information is needed about how to handle them, amid concerns that mixing them could create stability issues. "We need a few more months for the industry to provide clarity," Saral said, "Sellers are waiting to offer them in the market openly. I am sure there are select sea trials taking place for certain producers and consumers, who will know more about specific compliant products."

But he remains sceptical at the suggestion that the industry might take comfort from the recent [announcement from the International Standards Organisation \(ISO\)](#) that the ISO 8217 bunker regulation will apply to these new low-sulphur products. "If you generalise the qualities that a typical engine needs, then obviously new compliant fuels will meet ISO 8217, yet it doesn't look like any new compliant fuel will be close to typical RMG that we are consuming today."

Yet until the ISO has more clarity over what new low-sulphur fuels will look like, "it is basically a chicken and egg situation," he notes, as they will be unable to issue a new ISO guide. The result is likely to see a series of clauses added to ISO 8217, that will provide some guidance to the industry.

The other main compliance method – scrubbers – was initially shunned by owners on cost grounds. But recently [demand has grown significantly](#). “We see sustained uptake for larger vessels for retrofits to make them commercially viable,” Saral said, citing examples of owners being pressured into installing scrubbers by operators who have made it a condition of renewing a time charter agreement.

Contact [Jonathan Robins](#) and follow him on Twitter: [@jrobinsuk](#)