

NEWS ARCHIVE

GLOBAL: PLANNING FOR 2020 – D'AMICO INTERNATIONAL SHIPPING

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We do not expect fuel shortages in 2020 – the market always finds an equilibrium, Marco Fiori, CEO of d'Amico International Shipping, tells *Bunkerspot*.

d'Amico recently took delivery of two LR1 tankers and is awaiting delivery of a further four vessels. One of the vessels has been equipped with an **exhaust gas cleaning system**. *Bunkerspot* asked Fiori about the company's decision-making process over 2020 compliance.

d'Amico operates all over the world, in regions which have 0.10% sulphur emission control areas (ECA) and in others that will soon be impacted by the 0.50% global sulphur cap. How difficult has it been for the company to plan for 2020?

Planning for 2020 is still under process; the market scenario is not predictable, in particular when planning for vessels operating all over the world.

In terms of its fuel strategy, what has the company learned from the introduction of the 0.10% ECA in 2015?

The 0.10% ECA introduction did not lead to any fuel shortage as it was expected by a large part of the shipping industry. So, we expect that not to happen in 2020. The market always finds an equilibrium.

Do you expect the financial constraints caused by more expensive bunker fuels to result in a return to slow steaming?

Slow steaming is definitively the most effective way to reduce fuel consumption and consequent emissions. It could be a solution to reduce cost and we expect this something to happen for sure.

The company has equipped one of its newbuilds with a scrubber. Why only one vessel?

Scrubbers are a prototype solution in all respects: technical and commercial. Why opt [to choose scrubbers] for the entire fleet in an unclear scenario? We believe this to be a good step: waiting for dust to settle and then having better market visibility.

Why does it not make sense for smaller vessels to retrofit scrubbers?

It is not a matter of big or small vessels, it is a matter of fuel consumption. Having regard to scrubbers' capex and opex, the payback could make sense for a fuel consumption above 22 mt/day - and there are also some space constraints. However, I believe that it is an economy of scale issue

How confident are you that there will be sufficient availability of 0.5% sulphur fuel?

It is also true vice versa: how confident are we about the availability of high sulphur heavy fuel oil? However, in both cases I still believe that [where] there is a need the market will also find ways to satisfy it.

Looking beyond 2020, what will likely be the next environmental challenge for ship owners?

A CO2 economical trading scheme to force emissions reduction will be a possible hard challenge for the shipping industry. The good and difficult aspect of this industry is that challenges never end; it is always evolving into a flux, obliging participants to develop new solutions to new problems.

Shipping is the main distribution system in our economy and therefore it is here to stay, but it has to continuously change and adapt to new challenges.



Marco Fiori, CEO of d'Amico International Shipping

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