



INNOSPEC MARINE FUEL WATCH

The newsletter for Innospec Fuel Specialties

IMO 2020 special edition

Let us save you time and money

With deadline day for the new IMO 2020 regulations getting closer, refiners, bunker suppliers, ship owners and operators need to look carefully at the options available for compliance and which one is the going to be the most cost-effective. Choosing the cheapest compliant fuel makes sense but how do you ensure the switch doesn't end up costing more than it should.

Cut costs by at least 60% compared to manual cleaning alone

Very Low Sulphur Fuel Oil (VLSFO) will be a new fuel option available in 2020 and it will be your cheapest alternative to Heavy Fuel Oil (HFO). However, before VLSFO is stored in a tank previously used for HFO the tank and handling system must be properly cleaned and inspected or you risk non-compliance.

As you know, traditional tank and pipeline cleaning methods are expensive. Cleaning is typically done at the dockyard and requires a third-party cleaning operation, which, on average can take up to four days. Current estimates put the cost of manually cleaning a 500m³ tank in China at 6,000USD. In Singapore a ship owner or operator could expect to pay much more than this (9,000USD) and that excludes sludge removal.

The more cost-effective option is to use our Octamar™ tank cleaning additives to clean storage tanks in service prior to switching to VLSFO. Adding Octamar™ BT-series to three bunker cycles will make a dramatic difference to the cleanliness of a ship's fuel oil tanks and fuel supply systems. The total cost for cleaning a 500m³ tank in service using Innospec's innovative additive has been calculated at around 2,300USD.

This is also the most practical solution. In the run up to 1st January 2020 the pressure on dock facilities for tank cleaning vessels running HFO will be stretched beyond capacity. Innospec's proven additive technology and methodology for cleaning tanks in service with no downtime neatly sidesteps the difficulties of booking dock space that will be in high demand.

ULSFO – Ultra Low Sulphur Fuel Oil – 0.1%S Products containing residual / VLSFO – Very Low Sulphur Fuel Oil – 0.5%S / LSHFO – Low Sulphur Heavy Fuel Oil – 1.0%S – from 2010-15

MGO not a realistic option for most vessels

Some ship owners and operators may consider burning Marine Gas Oil (MGO) all the time rather than switching to the new VLSFO fuels. However, this is a costly option. The price differential between HFO and MGO is currently about \$200/MT which equates to approximately \$100,000 per 500m³ tank. Not surprisingly, it is expected the price differential between MGO and VLSFO will incentivise a shift towards VLSFO products. The market is forecast to use over 50% VLSFO fuels after January 2020.

On this basis it is clear that the most cost-effective, straightforward solution, with no downtime is to clean your storage tanks with Octamar™ BT-series additives.

Tank cleaning additive solution cost comparison based on 500m³ tank

MGO - 100,000USD per tank

Manual Cleaning (Singapore) - 9,000USD per tank*

Manual Cleaning (China) - 6,000USD per tank*

Octamar™ BT-series tank cleaning - 2,300USD per tank

*excluding sludge disposal, barge, permission and agency fees.



To find out more details about IMO 2020 and tank cleaning requirements, talk direct to our technical sales team in your region and visit innospecinc.com/IMO2020 csc.americas@innospecinc.com csc-emea@innospecinc.com csc-gt@innospecinc.com csc.asiapacific@innospecinc.com