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S&P Global Platts

Regulatory intervention, sampling key to tackle VLSFOrelated quality issues: VPS

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The bunker fuel quality of very low sulfur fuel oil has been steadily deteriorating, necessitating the need for persistent marine fuel sampling as well as regulatory intervention to maintain the latest fuel quality standards, Rahul Choudhuri, managing director for Asia, the Middle East and Africa at international fuel testing and inspection company, Veritas Petroleum Services, said.

"For last year, we saw an increasing number of off-spec fuels, averaging about 8% by year-end [in 2020] and this is only increasing as we speak, to about 12%," Choudhuri said at the 12th International Fujairah Bunkering & Fuel Oil Virtual Forum, or FUJCON 2021, organized by Conference Connection on March 23.

VLSFO emerged as the dominant fuel of choice following the International Maritime Organization's global low sulfur mandate, with VLSFO accounting for about 66% of all the samples tested by VPS last year, he said.

In addition, global sulfur non-compliance, which stood at about 3% last year, is also increasing in 2021 to about 7%.

"So, the issue of the marginally off-spec, that is 0.51%-0.53% sulfur, will continue to plague the industry," Choudhuri said.

Bunker fuel quality issues have escalated as "the vast majority of fuels are being blended close to the limit and about 50% in the 0.47%-0.50% range".

"This basically means that it doesn't take much to go over the limit," he added.

"Do we need tighter regulations that fuels cannot be supplied more than 0.47% level, for example, or do we allow the market this flexibility and then take this risk?"

However, the off-spec fuel distribution is uneven, with it higher in Europe and the Americas compared with the Middle East and Asia, Choudhuri said.

The sulfur compliance in the Middle East is typically good, which is positive news for Fujairah, although some off-spec sulfur has been observed in Dubai, Jeddah and Kuwait, he added.

In terms of statutory compliance, flashpoint is an important safety measure set by IMO SOLAS regulations to ensure that fuel onboard does not have a flashpoint of less than 60 degrees Celsius.

In this respect, the VLSFO has shown a good non-compliance range of less than 1%, although some Middle East ports such as Fujairah and Dubai have been affected. Nevertheless, Choudhuri said that trying to reduce the flashpoint range is the wrong way for the industry to go and compromises safety.

OTHER ISSUES

Choudhuri also pointed out the issue of unstable fuels, with respect to total sediment potential -- either high or otherwise.

There have been issues with waxing, where the existing pourpoint measure is not good enough to detect, or prevent waxing as well as issues with cat fines, he said.

"We see about 11% of the global fuels with greater than 40 ppm aluminum plus silicon, which is a high risk range, although interestingly, the Middle East has a good record here," Choudhuri said.

Chemical contamination has also been a worldwide issue as vessels report of problems with sludging and blocked filters, necessitating the need for careful evaluation to co-relate with shipboard damage.

"One peculiarity we have noticed is the presence of high water content cases in the Middle East, especially with ports such as Fujairah, Dubai and Jeddah last year," Choudhuri said.

All these challenges with the new VLSFO means that the latest fuel quality standards has become more important.

"Presently, only 12% of all shipowners and operators use the ISO 8217: 2017 Fuel Standard, 63% still use the 2012 version, while shockingly 25% use the 2005 version," Choudhuri said.

"So, you have a situation where poorer fuel quality is perpetuated."

In order to avoid this, Choudhuri said regulators must enforce the latest fuel quality standards, while fuel sampling should also not be ignored.

The commercial aspect of bunkering should also not be forgotten.

On average, a vessel can lose around \$96,000 per year due to improper measurement, quantity dispute and undeclared remanent on board, or ROB, Choudhuri said, referring to VPS' findings after an investigation, covering over 10,000 bunkerings carried out worldwide in 2019.

Thus the role of the bunker surveyor becomes important to avoid such losses, he added.