



# The 10<sup>th</sup> INTERNATIONAL FUJAIRAH BUNKERING & FUEL OIL FORUM

27 – 29 MARCH 2017  
In Conjunction with the Fujairah Bunkering Week  
25 - 29 March 2017

Organised by



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Held Under the Patronage of His Highness Sheikh Hamad Bin Mohammed Al Sharqi,  
Member of the UAE Supreme Council & Ruler of Fujairah

## Press Clipping

### Fujairah bunker hub ready to face challenges of IMO 2020

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By: Hudoob Younis, Marasi News

Held under the Patronage of HH Sheikh Hamad bin Mohammed Al Sharqi Ruler of Fujairah & Member of the UAE Supreme Council, the International Fujairah Bunkering and Fuel Oil Forum “FUJCON” continues for its 10th year on a row to discuss the challenges of IMO 2020.

With international recognition and attendance from 50 countries covering diversified sectors of the bunkering industry, FUJCON has raised Fujairah’s profile as an internationally recognized service anchorage, being the world's second largest bunkering hub for both oil storage and oil product supply.



Being the preeminent and most prestigious bunker forum for the Middle East bunker markets provides a platform of Unparalleled Knowledge Sharing, Business Development and Networking Opportunities as well as listening to Leaders, Key Decision Makers and Marine Experts who provides latest thinking and analysis on critical developments and key drivers of the industry not to forget the business development opportunities that the forum allows along benefiting from Intensive Learning Opportunities and Industrial Insights with Pre-Conference Courses & Briefings, tailored for the fuel Oil Markets.

#### **From a legal point of view**

In maritime industry legal falls in the very important part of it. Discussing many different topics starting from OW bunker courts to the UAE Court’s approach to LNG’s claims over OWB’s receivables and the Role of the new Emirates Maritime Arbitration Centre and how UAE and/or Fujairah bunkering and offshore industries can use EMAC. Jasmin Fichte, Managing Partner, Fichte & Co and President of WISTA, UAE clarified that in UAE there is no certain approach when it comes to LNG’s claims over OW bunker there is only the application of law and the decision of the Supreme Court. Fichte highlighted “At the moment there is not much to say, we had one Supreme Court decision and we are expecting two more coming in April and May 2017 if they are not postponed and we are expecting a clash between the decision makers and the law.”

“I do not have any legal recommendations to bunker traders as disputes can never be avoided between bunker traders and ship owners I can only say do a proper search, know with whom you are trading and know what is your financial situation,” she added.

Fichte also pointed out that the bunker industry for 2017 will be interesting. According to the live poll that took place in the conference, 40% of attendees voted there will be changes but till now they aren't fully witnessed. "As ships need bunker so they have to deal with the current situation. Ships owners were looking at the price but now they are looking at the consequences," added Fichte.

### **Main challenges faced by ship owners**

Suha Obaid, Strategic planning Director, Folk shipping LLC and Folk energy LLC, UAE shared her concerns about having the risk of being arrested for a bunker of a maximum value of 200 thousand dollars because the contractual and the physical supplier are having issues between them. She also highlighted that, the OW bunker case has opened shipowners' eyes to such incidents that might occur to them or anybody else and "I need to make sure that I am protected as a ship owner."

Obaid also emphasized on the necessity of taking an action by Emirates Maritime Arbitration Centre "EMAC", governments and courts to prevent the risk of an arrest that might occur on the vessel, as the ship owner has nothing to do with the physical supplier if there is no direct contract between them.

### **Environmental regulations and compliance**

The decision to implement a global sulphur limit of 0.50% in 2020 was taken by the International Maritime Organization (IMO), the regulatory authority for international shipping, during its Marine Environment Protection Committee (MEPC), meeting for its 70th session in London.

It represents a significant cut from the 3.5% global limit currently in place and demonstrates a clear commitment by IMO to ensuring shipping meets its environmental obligations.

Mr Abdoulaye Diouf, Market Development Manager/ LNG Lead Process Operations, GTT, France said that there are mixed feelings about the new sulphur cap requirements as some people are very comfortable with it and some might not feel the change as it is hard for them to handle all the current regulations and adding something new on the ground will bring more complexity.

The views are also resonated where over 30% of the respondents who participated in a live poll said there would be some degree of non-compliance with the related emission control area (ECA) cap by 2020. Although, they were specifically responding to compliance in ECA, this might be indicative of how things might look like in non ECAs, if one were to extend the sampling group.

"Everybody is waiting because there is no incentive in place to do anything right now [ahead of the 2020 global sulfur cap]. Banks are not going to give money for scrubbers unless they know the repayment or payback time and find the economics attractive, while LNG is for the future as infrastructure is insufficient and capital intensive. The majority [of customers] will be hoping that refineries and trading companies can provide blended fuels although the supply chain will not be able to adapt that quickly," according to Paul Nix, General Manager of terminal operations at Gulf Petrochem.

"Of course, we have to take care of the environment and the next generation but we must be reasonable o the industry," added Gamal Fekry, the CEO of Red Sea Marine Management DMCC.

### **Meeting the requirements**

The dispute, the discussion and taking decision longs as there are many factors contributes in limiting the global sulphur. As per IMO, ships can meet the requirement by using low-sulphur compliant fuel oil. An increasing number of ships are also using gas as a fuel as when ignited it leads to negligible sulphur oxide emissions. This has been recognized in the development by IMO of the International Code for Ships using Gases and other Low Flashpoint Fuels



(the IGF Code), which was adopted in 2015. Another alternative fuel is methanol which is being used on some short sea services.

Ships may also meet the SOx emission requirements by using approved equivalent methods, such as exhaust gas cleaning systems or “scrubbers”, which “clean” the emissions before they are released into the atmosphere. In this case, the equivalent arrangement must be approved by the ship’s Administration “the flag State”.

The event was organized by Conference Connection since 2000.