

Countdown to 2020

2016

October 28, 2016
IMO formally decides to impose global 0.5% sulfur cap in 2020

The 70th meeting of the IMO's Marine Environment Protection Committee (MEPC) had the option of postponing the lowering of the sulfur cap to 2025, after considering the results of an independent study looking at whether enough low-sulfur fuels would be available in 2020. The report concluded that availability would be sufficient, and the committee decided to proceed with the sulfur cap in 2020, as planned.

2017

May 4, 2017
Maersk announces intention to use only 0.5% sulfur fuels in 2020

Danish container line Maersk is the largest shipping company in the world, and its announcement that it would not be using scrubbers to comply in 2020 came as a bombshell to the manufacturers and other supporters of that technology. Many in the shipping industry follow Maersk's strategic decisions closely, and its vote against scrubbers was the final nail in the coffin for the idea that they would be the solution for the majority in 2020.

August 11, 2017
Arrival of Shell's LNG bunker barge Cardissa at Rotterdam

While politicians and regulators have been strong supporters of LNG bunkering as a means of lowering shipping's sulfur emissions, the shipping industry itself has been cool on the idea — not least because of a lack of infrastructure to deliver natural gas as a bunker fuel at scale. Where previously LNG bunker deliveries in northwest Europe were mostly carried out by truck — far too slow a method for the larger vessels that take up the majority of global bunker demand — the arrival of the Cardissa meant buyers could bunker directly from a barge with the capacity to carry 6,500 cu m of the fuel.

November 7, 2017
CMA CGM announces order of nine LNG fueled container ships

Further support for LNG bunkering came with French company CMA CGM's decision to order nine new LNG fueled container ships. This was the biggest vote of confidence for LNG bunkering so far, as it demonstrated that even the operators of some of the largest ships in the world found it a workable solution.

2018

January 1, 2018
Last chance to start work on a refinery upgrade

The refinery upgrades necessary to minimize fuel oil production and maximize middle distillate output ahead of 2020 are enormous projects taking years to complete. Any refinery upgrade on which work has not started two years before the IMO's deadline is highly unlikely to be supplying compliant fuels by 2020.

February 9, 2018
IMO agrees plans to ban carriage of non-compliant bunkers in 2020

The IMO's Pollution Prevention and Response subcommittee put together a plan to ban ships from carrying bunker fuel with more than 0.5% content after 2020.

If later adopted at MEPC 73, the plan will strike a blow against non-compliance with the sulfur cap; it empowers ports to inspect and prosecute vessels leaving their waters with insufficient compliant fuel for their whole journey, rather than leaving it to the flag state where the vessels are registered.

February 22, 2018
BP showcases two new 0.5% sulfur fuel blends

In a private meeting with shipowners in IP Week, BP was the first oil refiner to show to the shipping industry what the new 0.5% sulfur bunker fuels may look like.

April 13, 2018
IMO adopts initial greenhouse gas strategy

At the 72nd MEPC meeting, the key IMO committee finally agreed an initial strategy of reducing the shipping industry's total greenhouse gas emissions by 50% from 2008's levels by the year 2050. While not directly related to the sulfur cap, this new plan may further complicate its implementation. Solutions like LNG bunkering that help with sulfur emissions in the short term may prove not to be workable with the greenhouse gas strategy in future decades. And refiners considering whether to upgrade their facilities to supply the marine market may reconsider their plans, if oil as a marine fuel has a limited future.

April 13, 2018
Last chance for IMO to adopt any new measures before 2020

Because of the slow pace at which IMO processes operate, MEPC 72 was the last chance for the IMO to adopt a measure that would be in effect by the start of 2020.

July 1, 2018
Last chance to start building an LNG fueled ship

The construction of a new LNG fueled ship is another large project that needs to get under way long before the sulfur cap comes into effect. Any large commercial ship that is not under construction 18 months before the IMO's deadline is not going to leave the shipyard before 2020.

September 1, 2018
Maersk changes course on scrubbers

Maersk announced an apparent change of course from its previous statements on scrubbers, saying it would now install the equipment on some of its fleet.

October 3, 2018
Shell announces supply ports for new 0.5% sulfur fuels

Global oil producer Shell announced supply locations for its new 0.5% sulfur marine fuels at ports across the US, Europe, the Middle East and Asia.

October 26, 2018
IMO adopts non-compliant fuel oil ban

At the end of the 73rd meeting of the IMO's MEPC committee, the body formally adopted a ban on the carriage of non-compliant bunker fuels after 2020. The ban will come into force at the start of March 2020. This MEPC meeting was also the last opportunity to adopt any measures that would come into effect in March 2020.

2019

January 2, 2019
S&P Global Platts 0.5% sulfur fuel price assessments launch

S&P Global Platts has launched a set of cargo and barge price assessments for 0.5% sulfur marine fuels a year ahead of the IMO deadline. The assessments initially reflect information on blend economics from related fuels.

May 1, 2019
Last chance to order a scrubber retrofit

While retrofitting a ship with a scrubber can take as little as 2-3 weeks in theory, in practice any shipowner expecting to use one from the start of 2020 should order it several months before the deadline — at the latest. The order books of scrubber manufacturers are likely to fill up quickly in 2019, and dry dock space may also be harder to find.

May 13, 2019
ISO expected to present 0.5% specification information to IMO

The 74th MEPC meeting at the IMO headquarters is due to take place May 13-17, and a representative of the International Organization for Standardization (ISO) is expected to present information about 0.5% sulfur bunker fuel specifications. A new full set of bunker specifications is unlikely to come out until 2022, but an ISO working group is developing a publicly available specification due to be announced in late 2019 that can act as a guide for the market in the interim.

July 1, 2019
Largest vessels start using 0.5% sulfur bunker fuels

The largest ships and those operating on the longest routes may start burning 0.5% sulfur bunker fuels as much as 6 months before the IMO deadline, to iron out any operational difficulties before the rule comes into force.

October 1, 2019
Majority of global fleet starts using 0.5% sulfur fuels

Global demand for 0.5% sulfur bunker fuels is expected to pick up in the fourth quarter of 2019 as most shipowners start working with the new fuels before the deadline. Fuel oil demand will also drop off at the same time.

December 10, 2019
Final deadline to switch to 0.5% sulfur fuels

Any ships planning on complying with the new regulations should start switching to using 0.5% sulfur fuels three weeks before the deadline, at the very latest. Switching to the new fuels will be a lengthy process involving cleaning all of the equipment that bunker fuel comes into contact with throughout the vessel, to avoid contamination.

2020

January 1, 2020
Global marine fuel sulfur limit falls from 3.5% to 0.5%

Port authorities in some parts of the world may decide to pursue an aggressive enforcement strategy in the first few days of the sulfur cap coming into force, to bring public attention to their efforts. But levels of compliance with the sulfur limit may be lower in the first two months of 2020, as some smaller ship owners wait to comply fully until the non-compliant fuel carriage ban comes into effect at the start of March.

- IMO
- Company
- Deadline

Source: S&P Global Platts