

# MASSA Outreach



**December 2019 Edition**



**Capt Prashant Rangnekar**

As winter sets in on our part of the world, everyone is busy weighing the global downturn, India's Economic hassles, the Brexit conundrum, the Sulphur capping, BWT and few other challenges, including the political drama of up-manship in Maharashtra.

The past few months has witnessed several initiatives by the Government of India in relaxation of license requirements for foreign flag vessels in certain trade/cargo coastal routes, employment of Indian nationals and relaxation in the time frame for training slots as per the existing National Tonnage Tax as well as the revised provision for extension of coastal trading licenses. This has boosted avenues of engagement of foreign flag vessels on Indian coastal trade routes hitherto monopolized by national carriers. The revision of regulations pertaining to chartering foreign flag vessels on coastal trades has further provided opportunities for foreign owners and managers to increase their commercial activities on the Indian coastal trade routes. The International Conference on Port and Allied Sectors at Ahmedabad on 23rd September provided an avenue for industry experts highlight the challenges in the Indian maritime and logistics sectors and the way forward.

On the international front, The Ports conference at Pittsburg on 18th September offered a platform for demonstration of modern methods for development of ports and improvement of port shipping services; the Global Liner Shipping Asia conference at Singapore will be a landmark event to showcase innovative measures and technological advances to enhance freight carriage in shipping hub areas.

The month of September this year saw one of the Container major take delivery of the world's largest container ships (23,000 TEU) from China. The Baltic Index and the Lloyd's Exchange forecasts are more optimistic for this quarter and that bodes well for the well being of world shipping towards the end of this year. October saw a few more pollution related cases for concealing evidence, which again is a reminder that no one is above the Law, but more worrying is the fact that the attitude and mindset of all involved needs to be still worked upon to achieve total compliance with MARPOL.

The other emerging challenge which is also getting lot of attention and deservedly so is the Mental Well-being of seafarers. The trend shows that those within bracket of 25 to 35 years age are most vulnerable and there is an urgent need to sensitise the seniors handling them on board.

We also witnessed the renewed initiative from IMO, regarding thrust on empowering women in maritime sector, a much welcome move, and well supported by the industry.

Now for some good news, IMB report indicates that Piracy is down Globally and the VLCC market literally shot through the roof, thanks to the latest embargo on Iran cargo and Chinese Vessels. And on technology front, IBM has now joined the Autonomous Ship Project- reminding us that new competencies are just round the corner. Will that open door for revision of STCW with an eye on technology ( AI, disruption etc ), requiring new skill sets, is something to ponder.

The fourth quarter promises to be very engaging with the ISF conference at Bermuda, the International Green Shipping Summit, Digital Ship Singapore, Future Fuels for Shipping conference and the International Conference on Supply Chain Management – all assuring very positive outcomes for world shipping before the end of the year.

To end with sports, Test Cricket in India being in the pink of health after India's cricket team leading the test Championships and being unbeatable in this format on home turf.

And finally taking this opportunity of wishing everyone Merry Christmas and a Very Happy, Successful, Safe and Prosperous 2020.

We come to the final few weeks of another year!

Another year which has seen the world of politics making things insane beyond belief! No one now knows who supports whom, who are good guys and who are the bad guys, is there too much oil or too little, are there too many ships in the market chasing too few cargoes or is it the other way around? One thing for certain, as the Chinese saying goes: We live in interesting times!

However, in all of these developments or lack of them, what's in it for the seafarer?

He still has his heart in his mouth when he transits the Gulf of Aden, he and his family are on 'pins' when his vessels trades in the Gulf of Guinea, he is not safe in Malacca Straits, he is detained indefinitely for alleged breaches of borders in Indonesia, and if that is not enough, he is used as a sacrificial pawn in the power games between few nations. As if the world has not found new ways to harass him, his shore leave has been curtailed more often than not, sending a somewhat strong signal- we want the cargo you bring but we could do without you!

The employment statistics of Indian seafarers seems to be on a continuous upswing. However, it would be beneficial if the powers that be publish some official statistics to enable the industry know what the future holds. It will certainly assist the shipowners and their representatives in making informed decisions about the potential and



**Capt S M Halbe**

availability of Indian seafarers. Presently, it is at best, a guess and a hope!

It has now been 6 years since the Maritime Labour convention has come into force. Yet, the cases of abandonment of seafarers do not seem to abate. Even now, despite the reach of social media, youngsters from the mofussil areas fall prey to sharks promising them a lucrative career, and then landing up in prison or getting into unwanted situations. This can hopefully be reduced or eliminated by a strong awareness campaign and at the same time, strict punishment of the guilty parties. If laws need to be changed, so be it.

We, once again, are getting set to ring in the new year with optimism, hope and more importantly, *world peace*.

**Capt S M Halbe**  
Editor, MASSA Outreach

**Maritime Association of Shipowners  
Shipmanagers and Agents (MASSA)**  
Unit No.301, 3rd Floor, B-Wing, Kanakia  
Wallstreet,Chakala, Andheri Kurla Road,  
Andheri (East), Mumbai 400 093  
massa@massa.in.net

**Hemang Palan**  
CEO, Marex Media

**MAREX MEDIA**  
A 606, Morya House,  
New Link Road,  
Andheri West,  
Mumbai 400 053  
hemang@marexmedia.com

# *Seafarer happiness levels has risen to 6.59/10 across all industry sectors*

**A**fter concerning reports earlier in the year, the latest Seafarers Happiness Index report has shown a marked improvement in happiness levels among seafarers across all sectors of the industry.

The latest quarterly data showed that the overall seafarer happiness has risen from 6.27/10 to 6.59, representing “a very promising sign for the industry,” according to the report released by the Mission to Seafarers.

Happiness regarding interaction with other crew members has also increased to 7.28 from 6.85 reported in the last quarter.

“This is one of the highest figures provided in the five years since the report began and suggests a growing sense of comradery amongst seafarers.”

After findings from the second quarter of the year showed happiness amongst seafarers onboard cruise and ferry vessels to be 15% lower than other vessels, the latest report showed that happiness levels in this sector jumped up a full point to 6.3/10.

“It is hoped that this indicates an improvement in working conditions, while the pressures from a busy summer season are also likely to have eased.”

“The index is providing a more accurate image than ever before of the conditions across the global fleet. With record numbers of seafarers participating in the survey and engaging with the research, we have been able to identify more ways to support our Members in prioritising the health and wellbeing of their crew,” Louise Hall, Director - Loss Prevention at the Shipowners Club, said.

While results were generally very positive, the anecdotal evidence from seafarers identified a

number of ongoing concerns, with the upcoming IMO 2020 sulphur cap causing stress for many seafarers. The report indicates that there is a widespread fear of blame for non-compliance, suggesting that some seafarers don't feel prepared for the cap. Many participants reported concerns that discrepancies in data, in addition to tougher inspection regimes, could result in seafarers facing prosecution by authorities.

“While there has been much attention given to the financial impact of IMO 2020 on shipowners, this evidence shines a light on the day-to-day pressures on those serving at sea and the need for governments and shipowners to prepare seafarers for the change.”

The report indicates that the companies investing more resources into training have happier crews - highlighting the importance of seafarers feeling confident in their own abilities and with the responsibilities placed upon them by new regulations.

“It would appear that industry-wide changes in attitudes could influence widespread progress in 2020, and there is a strong sense that some of the improvements that the Mission and others have been advocating may be gaining traction.”



# SORTING OUT 2020

**T**he upcoming IMO 2020 sulfur emission regulation is prompting both owners and charterers to negotiate and incorporate new clauses in their charter party agreements, or CPAs, to factor in the performance of scrubbers and use of compliant bunkers.

At the same time, owners and charterers, who have non-scrubber ships on long-term charters, are exhausting their supply of high sulfur fuels by taking longer voyages.

Also, owners who are getting scrubbers installed are adopting a creative approach and are even seeking a share of the notional savings that will accrue from the use of high sulfur fuels on the time chartered tonnage, said a participant at a seminar organized by the Institute of Chartered Shipbrokers, or, ICS, late Wednesday in Singapore.

High sulfur fuel oil, or HSFO, enjoys a large discount to the low sulfur marine fuels. Installing scrubbers and using relatively cheaper HSFO will result in saving costs on bunkers, at least in early 2020.

However, scrubbers involve a one-time investment running into hundreds of thousands of dollars and collating it with lower fuel costs is a tedious exercise.

As a result, both owners and charterers are trying to get clauses incorporated in the charter party agreements to address such issues and also potential claims related to the new regime, the participant said.

Many disputes between owners and charterers are expected to arise due to the new regulations on low sulfur marine fuels which will be related to both scrubbers and bunkers, said a maritime lawyer in Singapore.

Shipping industry is bracing up for several unforeseen scenarios such as engine damage due to inferior quality of fuels, off-spec bunkers being loaded in the ships and scrubbers ceasing to work on high seas.

In all such scenarios, the pressing issue is of liability and unless the wordings in the CPAs are well-defined, there is a potential of disputes arising, he said.

As far as the scrubbers are concerned, they are part of the hull and machinery and therefore will be

covered by the maritime insurance, a chartering source said.

“It is nobody’s case that scrubbers be treated separately from the rest of the ship and they also carry a warranty from the manufacturers,” the source said.

More importantly, it is the cost and investment structure woven around the installation of scrubbers that will determine the notional gains or losses to owners and charterers, he said.

At the time of decision making for scrubbers, owners seek to cover their expenses and the time charter or period charter rates are accordingly revised upwards, he added.

Even though the scrubbers are part of the hull and machinery, period charter CPAs which were concluded earlier and whose duration will span both current and also low sulfur regime for marine fuels from 2020 are being revised to include their categorical mention, said a maritime lawyer in Tokyo.

Liability of any accidental discharge of effluents from a scrubber at a prohibited place needs to be sorted out, sources said.

Maritime and Port Authority of Singapore has recently issued a technical advisory on best practices on installation and operation of scrubbers, its Chief Executive, Quah Ley Hoon said Friday at a conference on the country’s registry of ships.

There are instances where owners and charterers have turned innovative and agreed upon different formulae to cover the cost of installing scrubbers.

In one such case, the owner invested in the scrubber and the charterer agreed to share with him the savings he makes, if and until HSFO enjoys a discount over the bunkers with low sulfur.

“This is a complicated arrangement and it will be better if the two parties agree on a fixed number for period charters,” a shipping consultant opined.



*Capt Kamal Chadha  
MD, Marex Media*

# *Outreach and Engagement Program initiative by MASSA Academy Chennai*

MASSA Academy, Chennai has initiated an effective Outreach and Engagement Program that creates an ecosystem of engagement with the industry by fostering public access to the Academy expertise and resources by advocating for exemplary engaged scholarship, nationally and internationally. In all of its work, the Academy emphasizes academia-industry partnerships that are collaborative, participatory, transformative, and anchored in scholarship.

Several benefits are generated by such outreach activities like delivering high-end value-added

courses, conducting first party audits, Board level interventions at Universities, Academies and Industry Associations. The most obvious is the opportunity to provide service to the industry community. In doing so, the Academy fosters positive and revered relations with the community and businesses. In the longer term, these positive perceptions lead to increased nominations for courses at the Academy. Outreach activities also encourage enrolment especially from students interested in pursuing advanced programs and continuing their education in specialized areas.



*MASSA Academy, Chennai conducted "Engineering skills" test at Naughtica 2019 - 13 April 2019*

In addition to bolstering economic returns and enrolment, such outreach programs can promote faculty development. Faculty interactions with practitioners improves lines of communication and encourage faculties to consider practical aspects of their profession and input in their teaching at the competency courses when the offering goes beyond 'passing of examinations' to building all-round competency. In return, the faculty could advise practitioners in job related problems, new concepts, and changing technologies as discovered through academic research activities undertaken to deliver contemporary high-end learning and interventions to the practitioners. The practitioners get an opportunity to take time off from the highly operational environment and reflect on their practices as they gain newer knowledge and this provides much therapeutic effect.

In this context the Outreach and Engagement Program is an important strategic tool. It attempts to take industry- academia interaction which has been restricted predominantly to a recruitment centric phenomenon to a different trajectory altogether.

As a consequence, MASSA Academy Chennai has assumed a leadership role with respect to national conversations about the scholarship of engagement—defining, measuring, and evaluating best practices. It is hence not co-incidental that The MTI Performance index for 12 months as on 30th October 2019 displayed on DG Shipping websites places MASSA Academy, CHENNAI at the TOP of the rankings list amongst all those who conduct ALL Competency Courses.



*MASSA Academy, Chennai conducted "Electricals Skills" test at Naughtica 2019 - 13 April 2019*



*DNV-GL Internal Auditor Course for ISM/ISPS/MLC 26-27 June 2019 Totally 18 participants (only 4 companies got nominated)*



*1st Batch of ERRM Course for Wallem Ship Management, 2-4 May 2019*



*Soft-skills induction program for cadets at Mumbai for Northern Marine Limited on 9-10 July 2019*



*DPA Course – at V-Ships Technical Management – Superintendents engaged in Group exercise on 8-9 May 2019*



*DNV-GL Incident Investigation & Root Cause Analysis Course at Synergy Maritime, KOCHI for 12 Superintendents on 6-7 August 2019*



*Hydraulic Breakdown Management Course at Mumbai on 29-30 August 2019 (9 participants including 3 Superintendents)*



*Maritime Trainers Guild organized Panel Discussion at Delhi on 1st October 2019 on Digitalization in Maritime Education and Training*



*African students of various countries like Nigeria, Tanzania, Mozambique, South Sudan, Ivory Coast and Gabon under India-Africa Forum Summit (a bilateral assistance programme run by the Ministry of External Affairs, Government of India) visited MASSA Academy, Chennai for Simulators course.*



# *Without sustainability, we cannot survive, says Mr Kitack Lim, IMO Secretary-General*

**T**he international conference on “Sustainable Maritime Development Towards 2030 and Beyond” being held in Jeddah addressed the most important issues of the shipping industry and the way forward, taking into account the ever-growing pressure from environmental regulations and the need for decarbonization.

The high-level conference serves as a platform to strengthen partnerships and accelerate the implementation of the UN’s 2030 Agenda for Sustainable Development as well as Sustainable Development Goals. It also supports the International Maritime Organization’s (IMO) World Maritime theme for 2020 “Sustainable shipping for a sustainable planet.”

Mr Kitack Lim, IMO Secretary-General said that dealing with climate and a number of other issues for the benefit of health and the environment is a global trend that cannot be avoided and further progress is needed. Therefore, all stakeholders in the maritime industry have to work together for the common goal, including member states, governments, public and private sectors, shipping and port industries.



**Mr Kitack Lim,**  
IMO Secretary-General

“So far, I am very satisfied with the collaboration among member states and developing countries as well, together with the industry. Industry’s perception of this issue has improved greatly, dramatically. I am really grateful to the industry. But we have to continue to work closely together,” Mr. Lim said.



Last year, IMO Member States agreed on an ambitious strategy to require the shipping sector to reduce its greenhouse gas (GHG) emissions by at least 50 percent by 2050 compared to 2008 levels.

Sharing his thoughts on the 2050 GHG targets and whether they are achievable, Mr. Lim said that there are many issues from technical, policy to operational issues. However, the fundamental issue is developing renewable, alternative fuel.

“We have to figure out the future alternative fuel which is key to all of the issues,” Mr. Lim stressed.

In terms of progress to-date, the Secretary-General said he is confident as the industry is working

together to produce high-level technological solutions for a carbon-free future.

When asked about the best way for shipowners to future-proof their business, Mr. Lim said that sustainable practices should be at the forefront of commercial activities of shipping companies.

“Without sustainability, we cannot survive in the future, including the shipping community as well. We have to pursue the shipping business in a sustainable way,” Lim concluded, adding that the industry is on the right track to make progress in that direction.

# *Bunker fuel quality still remains a pressing concern ahead of IMO 2020*



**B**unker fuel quality issues continue to persist in the industry, even as fuel management is set to become more critical, ahead of the International Maritime Organization's, or IMO, January 2020 low sulphur global marine fuels mandate, sources at an industry event in Singapore said this week.

“In the 1990's marine fuel was just a straightforward product really, it was blended to meet viscosity requirements...fast forward and it is no longer about viscosity,” Douglas Raitt, regional consultancy manager at bunker fuel analysis and advisory service firm Lloyd's Register FOBAS, said at a forum organized by the Association of Bunker Industry (Singapore).

“It's about sulphur and when you start blending for sulphur, basically the viscosity and a whole host of other parameters become collateral damage,” he said.

Come 2020, shipowners or operators buying the fuel will need to have a greater know-how for understanding what exactly they are going to buy, Raitt said, adding that buying a 0.5% compliant fuel as per the bunker fuel clause will not be good enough.

As a fuel buyer, the shipowner or operator would need to know the machinery onboard the ship and make a bespoke order with the supplier of the fuel being purchased, with parameters like viscosity clearly earmarked, Raitt said.

“If you don’t do that the supplier may still give you compliant fuel but it may be completely useless to use in the ship’s main engines. That for me is a profound change really,” he said.

FOBAS has been testing low sulphur fuel oil with less than 0.5% sulphur for about a year now, and has found the viscosity to vary from as low as that of a distillate to as high as a 500 CST fuel.

“With that kind of variability in mind, you have to know what you are going to order in 2020,” he added.

### ***Stability, Compatibility Issues***

The market is anticipating stability and compatibility issues as many blending recipes are due for release, Nijas Schemnad, technical sales manager at Eurofins, said.

Under normal circumstances, asphaltenes stay stable as these viscous residues are surrounded by saturates, resins and aromatics, and remain suspended in the fuel oil matrix, he said. But when two incompatible blends come together, asphaltenes agglomerate and form sludge, Schemnad said.

“For the fuel oil user, this is really scary because it can result in loss of propulsion and a lot of other associated operational risks,” he said.

Two stable fuels, when blended, can also become unstable, Schemnad said.

Many shipowners and operators are expected to buy low sulphur marine gasoil post IMO 2020.

However, gasoil does not normally undergo a lot of testing. Gasoil will also be used heavily and stored for longer times post IMO 2020, resulting in potential stability and lubricity issues, he said.

“So, ISO 8217/2017 spec has oxidation stability and lubricity tests, which should be done,” Schemnad said.

Gasoil does not typically need heating but has cold flow issues, which means that when the temperature cools down, the oil first reaches the cloud point, then it usually comes to cold filter plugging point and once it reaches that, gasoil ceases to flow, with serious operational implications, he added.

“Hence, cold flow properties ought to be tested and declared by the fuel supplier as per ISO 8217/2017,” Schemnad said.

“FAME (biodiesel) content is allowed in gasoil at “de minimis” levels and could result in water retention, microbial growth and corrosion,” he added.

### ***Thorough fuel testing vital***

There is an expected increase in bunker fuel quality issues next year because of increased blending due to the 0.5% sulphur cap, Mohana Dass, global bunker quality surveys manager at Lloyd’s Register FOBAS, said at the event.

Clients have already started bunkering very low sulphur fuel oils, Dass said.

The compatibility of 0.5% sulphur bunker fuels still remains a challenge. A spot test is only indicates potential compatibility issues, and a full lab test must be conducted to confirm any findings carried out on board, he said.

At times of quality disputes, surveyors must master the art of taking representative samples from ship tanks for tests, he added.

# *Global shipping outlook forecast for 2020 remains negative*



**A**s the year winds down, forecasts are being made for 2020 and based on Fitch Ratings' new report, there is little room for optimism.

The rating agency listed several factors for a gloomy outlook, the key ones being slowing global economic growth, trade tensions and geopolitical risks that will lead to subdued demand growth in global shipping in 2020. As such, the sector outlook remains negative.

“The main sector risk is that protectionist measures may escalate into a protracted trade war and damage the prospects for global trade and GDP growth. While some upside is possible if the trade tensions between the US and China ease, the downside risks, including expected slower GDP growth in China, soft trade growth and Brexit uncertainty, will continue to weigh on demand,” Fitch said.

Further pressure on the global shipping sector is expected from rising costs related to the IMO 2020

Sulphur Cap, which is likely to negatively affect shippers' credit metrics. Spikes are anticipated for operating costs (if shippers choose to use more expensive low-sulphur fuel) and/or CAPEX (if they install scrubbers that remove sulphur from the exhaust or purchase new LNG-fuelled vessels).

“We expect most shipping companies to use low-sulphur fuel,” Fitch added.

The rating agency believes shippers are unlikely to fully pass through all the associated costs to customers due to their limited bargaining power in the oversupplied market.

### ***Container Shipping***

Fitch Ratings forecasts global container volumes to grow by about 2.5% in 2020. While this represents a small increase from 2019, it is well below the average growth rate of about 4.5% over the past eight years.

Trade restrictions, if they remain unresolved, are likely to have a negative impact on global container volumes of about 1% in 2020, according to AP Moller-Maersk.

“We expect better capacity management in global container shipping with fleet capacity increasing by 3.3% in 2020, slower than 3.6% in 2019. Container freight rates in 2020 are likely to remain at levels similar to those in 2019,” the agency added.

### **Dry Bulk**

Fitch expects dry-bulk trading volumes to grow by 3% in 2020, up by more than 1.5pp on 2019, due to higher iron ore and other commodities volumes. Iron ore volumes are expected to slowly recover following the Vale dam incident in Brazil and challenging weather at Australian ports in 2019.

Fleet additions are likely to match this growth in volumes, and freight rates are likely to increase as

dry-bulk shippers will be better positioned to pass on some of the higher fuel costs.

### **Tankers**

Global tankers' supply and demand are likely to grow by 2.5% and 3.5%, respectively, in 2020, supporting a better supply-demand balance. This will help freight rates to stay at levels comparable to annual averages in 2019, which represents a recovery from their troughs in the middle of 2018, the report says.

The impact of IMO 2020 on tanker shipping companies is likely to be mixed, as rising compliance costs may be mitigated by increased tanker demand to transport compliant fuel. However, lingering trade and geopolitical tensions and political risk may depress long-term tanker demand.

Finally, although all shipping segments demonstrated more prudent capacity growth in recent years, which supported a better supply-demand balance, the rating agency believes that a longer record of responsive capacity management is needed to improve the sector's resilience.



# *The Anti-Maritime Piracy Bill 2019 introduced in Indian Parliament*

**I**ndia's External Affairs Minister, Mr S. Jaishankar introduced a Bill in Indian Parliament on December 2, 2019 that provides for stringent punishment, including death penalty, for those involved in piracy at sea.

'The Anti-Maritime Piracy Bill 2019' introduced by Mr S. Jaishankar is aimed at promoting the safety and security of India's maritime trade, and the safety of its crew members.

A text of the bill available on the website of Lok Sabha (Lower House of Indian Parliament) states Indian government's aim in drafting the proposed legislation was to keep up with India's commitment to the United Nations Convention on the Law of the Sea (UNCLOS), which concluded in 1982. India had ratified the UNCLOS in 1995.

Lok Sabha website mentions the Bill's 'Statement of objects and reasons' as under:



In today's times, the menace of piracy is growing. The Gulf of Aden, which separates Somalia and Yemen and connects the Arabian Sea to the Red Sea and through the Suez Canal to the Mediterranean Sea, has seen a major spurt in attacks by pirates operating from Somalia since 2008. This route is used by about 2000 ships each month for trade between Asia and Europe and East coast of Africa. With the enhanced naval presence in the Gulf of Aden, pirates shifted their area of operations eastwards and southwards. This led to a flurry of piracy incidents towards the western coast of India as well.

India does not have a separate domestic legislation on piracy. The provisions of the Indian Penal Code pertaining to armed robbery and the Admiralty jurisdiction of certain courts have been invoked in the past to prosecute pirates apprehended by the Indian Navy and the Coast Guard but in the absence of any specific law relating to the offence of maritime piracy in India, problems are being faced in ensuring effective prosecution of the pirates.

Given the increasing incidences of piracy, including within India's Exclusive Economic Zone, and the increasing number of pirates apprehended by the Indian Naval forces, the need is felt for a comprehensive domestic legislation on piracy, which is an outcome to the commitment made by India by signing the United Nations Convention on the Law of the Sea (UNCLOS) in the year 1982 and ratified in the year 1995.

In view of the above, it has been decided to bring about a domestic anti-piracy legislation for the prosecution of persons for piracy-related crimes and to promote the safety and security of India's

maritime trade including the safety of our vessels and crew members.

Accordingly, the Anti-Maritime Piracy Bill, 2019, inter alia, provides for the following:

- (a) To make the provisions of the proposed legislation applicable to all parts of the sea adjacent to and beyond the limits of Exclusive Economic Zone of India;
- (b) To make the act of piracy on high seas as an offence punishable with imprisonment for life or with death;
- (c) To provide for punishment for attempt to commit offence of piracy or being an accessory to the commission of offence;
- (d) To provide for presumption of guilt in case certain conditions are satisfied; (e) to make the offence extraditable;
- (f) To enable the Central Government, in consultation with the Chief Justice of the concerned High Court, to specify certain courts as Designated Courts for speedy trial of offences of piracy under the proposed legislation.

The Bill seeks to achieve the above objectives.

In Indian Parliament, a Bill undergoes readings in each House, i.e., the Lok Sabha (Lower House) and the Rajya Sabha (Upper House). After a Bill has been finally passed by both the Houses of Parliament, it is submitted to the President of India for his/her assent. After a Bill has received the assent of the President, it finally becomes the law of the land.



# *Industry expresses positive readiness to meet the sulphur 2020 requirement*

A second roundtable industry meeting hosted by IMO at its London Headquarters in November saw more optimism about the general readiness to meet the sulphur 2020 requirement than the first such meeting, which was held in June this year. IBIA had a delegation attending both the June 21 and November 18 roundtable meetings, which were initiated by the IMO Secretariat to share information and exchange views.

## **Availability improving**

During the first roundtable meeting in June, representatives for shipping organisations expressed doubts about the necessary supply being

made available, disappointment about lacking and/or highly priced supply of fuels complying with the 0.50% limit to gain experience, and ongoing concerns about the safe use of compliant fuels. IBIA explained at the time that limited spot market availability of very low sulphur fuel oil (VLSFO) blends produced to meet the 0.50% limit was a function of a corresponding lack of demand. More widespread supply could only be expected once more demand was manifesting. Citing intentions expressed by suppliers around world; IBIA told the meeting in June that supply of VLSFO would likely become much more readily available during the fourth quarter of 2019.



The roundtable meeting in November saw increasing confidence as significant efforts to date by all stakeholders to achieve effective implementation was recognised. It was felt supply of compliant fuels would generally be available, with some exceptions. While heavy fuel oils continued to be loaded, it was noted that more ship operators and owners are beginning to gain experience of compliant fuels, while bunker suppliers were in the process of moving their storage infrastructure and bunker barges to be 0.50% compliant fuel oil ready. As IBIA said during an Symposium on IMO 2020, supply of VLSFO meeting the 0.50% sulphur limit has been announced with increasing frequency, in particular since late September, and was already available in various locations across Asia, Middle East, Africa and the Americas as of mid-October with more and more set to become available, either during October or during November/December.

### **Enforcement concerns**

Consistent enforcement by port State control was once again recognised as essential to ensure a level playing field and to ensure that ships would not be disproportionately impacted.

MARPOL Annex VI, which contains the sulphur limit regulation, has 95 Parties, who between them register 96.71% of world merchant shipping by tonnage. Flag States have jurisdiction over the ship and issue the International Air Pollution Prevention Certificate (IAPP) to ships of 400 gross tonnage and above.

However, port States need to be a Party to Annex VI to exercise port State control in relation to the sulphur 2020 limit. The number of Parties to the Annex varies in different port State control regions.

Concerns were raised by some attendees on the preparedness of the PSC regimes to enforce the 2020 sulphur limit, however the IMO Secretariat confirmed the Organization's readiness to support PSC regimes, in particular, with capacity building and training, and highlighted workshops delivered with the support of Denmark and the World Maritime University (WMU).

Specific training to support port State control for the implementation of MARPOL Annex VI could be provided. An IMO Workshop for PSC MoU/Agreement Secretaries and Database Managers will be convened in 2020, which would provide a further opportunity to promote the harmonization of enforcement measures.

### **Fuel oil non-availability report (FONAR)**

Roundtable participants raised concern about possible inconsistent approaches in relation to the fuel oil non-availability report (FONAR). The report is not intended as an exemption but is a standardised template to report non-availability of compliant fuel oil. The IMO Secretariat reminded participants that IMO has issued the 2019 Guidelines on consistent implementation of 0.50% sulphur limit under MARPOL Annex VI (MEPC.320(74) here), which includes a standardised FONAR.

### **Preparation essential**

Participants agreed on the need to continue to raise awareness about the sulphur 2020 limit and the need for further preparation by all stakeholders, including the IMO Secretariat, PSC regimes, Member States, shipowners/operators, charterers, fuel suppliers and others, in order to ensure consistent implementation of the sulphur 2020 limit by 1 January 2020. In this regard, it was agreed that the IMO Secretariat would communicate to all relevant parties on the continuing need to prepare for the entry into force of the sulphur limit.

The roundtable meeting was attended by representatives from IMO Secretariat and: International Chamber of Shipping (ICS); International Organization for Standardization (ISO); BIMCO; International Association of Classification Societies (IACS); Oil Companies International Marine Forum (OCIMF); International Association of Independent Tanker Owners (INTERTANKO); International Association of Dry Cargo Shipowners (INTERCARGO); IPIECA; The Institute of Marine Engineering, Science and Technology (IMarEST); International Bunker Industry Association (IBIA).

