

IMO 2020 – a risk and challenge for the shipping industry

- Implementation of the IMO 2020 0.5% global Sulphur cap represents a challenge and risk for the shipping industry, with fuel costs expected to increase with about 50% combined with a lack of clarity around availability and quality of fuels.
- Wallenius Wilhelmsen is relatively well covered through Sulphur (BAF) clauses already in place for majority of the larger customer contracts and aims to introduce relevant clauses for remaining customer contracts
- To handle this uncertainty, Wallenius Wilhelmsen has arrived at a strategy of combining operating with different types of low Sulphur fuel and installing scrubbers on the most suitable vessels
- In June 2018 Wallenius Wilhelmsen decided to initiate a program to retrofit scrubbers on 20 vessels over the next few years, increasing the number of vessels in the fleet with scrubbers to 25
- The average cost per scrubber instalment is estimated to USD 6-7 million. The scrubbers will be retrofitted during scheduled dry docking to minimize impact on the operations and will be financed through available cash and/or credit facilities

