

***“Sulphur Claims are worryingly still responsible for around 1 in 3 of every off-specification notice alleged for VLSFO”***

## Sulphur Compliance & Enforcement

It was widely anticipated that IMO 2020 would bring significant challenges as to fuel quality and compliance with the new sulphur limit for VLSFO 0.50% Wt. not least due to the initial changes required for the infrastructure and because of the changing face of blends needed to achieve these lower limits.

It therefore wasn't too much of a surprise when a spike of claims occurred initially, these perhaps due to cross-over or cross contamination of High Sulphur and Very Low Sulphur Fuels.

However since then, we have settled into a new normal whereby Sulphur Claims are worryingly still responsible for around 1 in 3 of every off-specification notice alleged for VLSFO.

### Current Statistics

Data available for the last 90 days suggests that the global average for VLSFO Sulphur Content is 0.46%Wt which on the face of it appears good news.

Globally, when comparing thousands of lines of data, 97.8% of all VLSFOs tested at or below 0.50%Wt Sulphur during this time, 1.6% tested between 0.51 and 0.53%Wt Sulphur and 0.6% tested at or above 0.54%Wt Sulphur

However when we drill into this further and consider key bunker hubs it is very noticeable how some blending hubs perform much worse than others. For example 4.1% of Rotterdam fuels test between 0.51% and 0.53% and 2.2% of VLSFO's at 0.54% or above.

Singapore on the other hand is seen to perform far better with less than 1% of all fuels testing above the 0.50% Sulphur limit which somewhat bucks the general trend that blend hubs are by far the highest risk areas for Sulphur Compliance.

### The team in this article

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Port	Country	On-spec	Toleran..	Off-spec
SINGAPORE	SINGAPORE	99.2	0.8	0.1
FUJAIRAH	U.A.E.	95.8	3.0	1.2
ROTTERDAM	NETHERLAN..	93.7	4.1	2.2
ANTWERP	BELGIUM	94.9	3.7	1.3
ULSAN	KOREA, REP. ..	100.0		
<b>Grand Total</b>		<b>97.8</b>	<b>1.6</b>	<b>0.6</b>

**Table 1 - Levels of Non-Compliance Alleged by Port**

Singapore's performance is because of the port average being 0.47% (see table 2 below) which coincidentally is the level of 95% confidence less the specification – in other words the 0.50% limit would only be breached one time in twenty at this level.

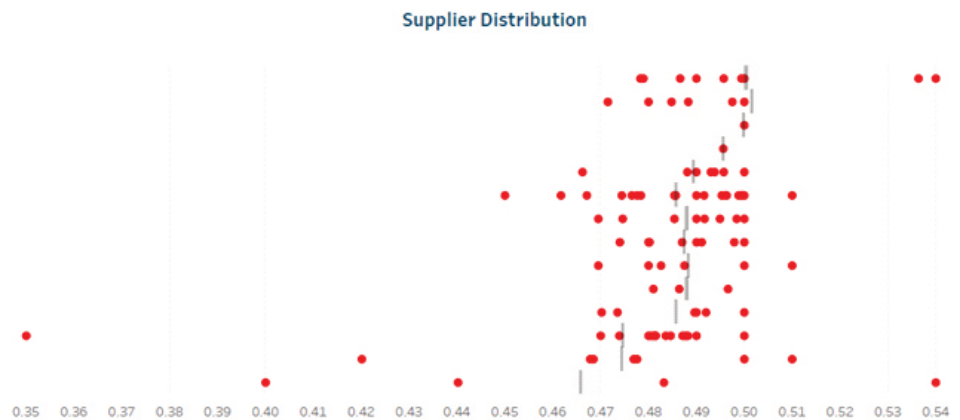
Even better performing, Ulsan (Korea), has a Zero Non-Compliance level because of their port average (below) of 0.44%Wt Sulphur. In other words fuels are blended well within the safety margin.

Port	Avg Test Value	Min Test Value	Max Test Value	Sample Count
FUJAIRAH	0.49	0.00	3.40	801
ANTWERP	0.49	0.03	0.83	343
ROTTERDAM	0.49	0.08	1.64	512
GIBRALTAR	0.48	0.34	0.78	373
BALBOA	0.47	0.28	0.53	377
ALGECIRAS	0.47	0.18	0.80	248
SINGAPORE	0.47	0.00	0.68	3,067
HOUSTON	0.47	0.34	0.51	230
ISTANBUL	0.47	0.00	0.54	253
LAS PALMAS	0.47	0.29	0.52	196
MALTA	0.47	0.32	0.54	235
HONG KONG	0.47	0.00	0.55	305
NEW ORLEANS	0.46	0.09	0.56	105
ZHOUSHAN	0.46	0.29	0.52	171
SHANGHAI	0.46	0.34	0.53	203
LONG BEACH	0.45	0.38	0.50	127
BUSAN	0.45	0.31	0.50	206
ULSAN	0.44	0.31	0.50	163
SANTOS	0.44	0.35	0.50	307
YOSU	0.44	0.25	0.52	121

**Table 2 - Average Sulphur Content for VLSFOs last 90 Days by Port**

Rotterdam and Antwerp are however blending at or close to the 0.50% limit (averaging 0.49%) hence the increased risk of non-compliance.

However drilling further into the Rotterdam data, the importance of data driven buying becomes apparent when you consider that some suppliers have no samples tested above 0.50% Sulphur and others having as many as one delivery in five testing above these limits. (see Table 3 below)



**Table 3 – Distribution of Sulphur Content by Supplier in Rotterdam**

LSMGO however is seen to perform far better over the same period with 99.4% of all samples testing at or below 0.10%Wt, 0.3% testing at 0.11%Wt Sulphur and 0.3% of samples testing 0.12% or above.

We can therefore conclude that we are likely to receive four times as many notifications for Sulphur non-compliance for VLSFOs than MGOs and as a result it is essential that data driven purchasing is considered especially for VLSFOs.

### **Compliance**

To refresh our memories let us first clarify what constitutes a non-compliance within Marpol Annex VI when it comes to Sulphur in bunker fuels.

For VLSFO, the Marpol Sample provided by the Supplier (& listed on the BDN) cannot exceed 0.50% Wt. Sulphur and they do not benefit from the tolerance (written around 95% confidence limits) that the vessel enjoys whereby the 'In Use' or 'Onboard samples' are only non-compliant at the 0.54%Wt Sulphur level or above.

Similarly for MGO, the supplier cannot exceed 0.10%Wt Sulphur but the 'in use' or 'onboard' samples are only non-compliant at 0.12%Wt Sulphur or above.

Moreover it is important to draw a clear line in the sand between the commercial samples as governed by the bunker contract and the Marpol sample placed onboard the vessel for regulatory purposes with regard their value in defining compliance (or otherwise).

Simply put, commercial samples are not defined in the Sulphur verification procedure within Appendix VI of Marpol Annex VI. Marpol Annex VI does not even mandate the testing of an owner's sample, only that a compliant BDN is placed onboard the vessel along with a Marpol Sample, this borne out by anecdotal evidence of owners requesting Sulphur is not reported on their quality reports due to the difficulties that may arise as a result.



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## Enforcement

Sadly the only consistent part of enforcement by Port State Control (PSC) is their inconsistent approach to non-compliance.

**Examples of concern include Authorities treating a fuel as non-compliant based on a single in use sample testing within the tolerance levels at 0.51 or 0.52% or even debunkering being demanded basis an owner test marginally above 0.50% Sulphur**

This lack of clarity has been causing concern for some time but despite lobbying by IBIA within IMO we are still no closer to a consistent global approach as to the basis that PSCs determine that a fuel is non-Compliant as per Marpol Annex VI.

IBIA pushed to ensure a consistent approach to verification by implementing the amended Sulphur verification procedure (as adopted by MEPC 75) however this was rejected.

This is disappointing as these procedures cover the analysis of the Marpol sample to verify the fuel delivered to the vessel and the use of 'in use or onboard' samples to verify the fuel in use, this again incorporating 95% confidence

Therefore it remains possible that a black and white outcome still could be enforced onto a vessel despite the shades of grey basis the inherent errors of the test method itself and these concerns can only lend themselves to adjusting your buying strategies accordingly and trying to prevent these issues at source.

It is important therefore to use online platforms such as Engine where quality benchmarking gives us the best chance to navigate through this minefield and allows our customers to sail on with fair winds and calm seas.

So to conclude, whilst these inconsistencies remain it is imperative in to ensure that purchasing strategies incorporate port and supplier risk and benchmarking of suppliers and ports can save you a lot more than money, it can stop a claim spoiling your day?

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