

D'Amico's dry bulk unit eyes scrubbers for bigger vessels

The chief executive of d'Amico's dry unit tells Lloyd's List in an interview that it is studying whether to retrofit its eight larger bulkers with scrubbers. But there is still uncertainty as to whether the economics work for the smaller bulkers ahead of the IMO 2020 regulation

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Luciano Bonaso says he has no fleet expansion plans just yet



BONASO: THE COST OF A SCRUBBER WILL BECOME CHEAPER POST-2020 AS THERE WILL BE MORE COMPETITIVE PRODUCERS, ASWITH BALLAST WATER TREATMENT SYSTEMS.

D'AMICO Group may look to install scrubbers on its bigger bulkers by the end of next year, the chief executive of its dry bulk unit has disclosed in an interview with Lloyd's List.

Two panamax and two supramaxes on long-term time charter that will be delivered next year will be built with scrubbers, while the company is studying whether to retrofit the eight existing post-panamax and mini-capex bulkers it has in its fleet, Luciano Bonaso said.

For the bigger sizes with higher fuel consumption, there may be “a more favourable ratio for the owners between the installation cost and the potential fuel cost saving, which would allow a return on capex in a shorter time, especially if the scrubber is installed earlier than later, when presumably the differential” between high-sulphur fuel oil and low-sulphur fuel oil will be higher, he said.

For the smaller sizes, there is still “some uncertainty about the real benefit for the owners” to install scrubbers now, said Mr Bonaso, who is based in Monte Carlo, Monaco. He added that the cost of a scrubber would become cheaper post-2020 as there would be more competitive producers, as was the case with ballast water treatment systems.

“There will be more evidence about the possibility that the higher cost of LSFO may be finally paid by the shippers,” he said, while the type of scrubber to be installed was still subject to possible restrictions on its use in the future, making the choice for the owner a lot more difficult.

The scrubber debate has been at the top of the agenda for the shipping markets given that the implementation of the new sulphur regulations by the International Maritime Organization — whereby the sulphur content in fuel may not exceed 0.5% from the current 3.5% — is 16 months away.

There has been some concern too that the rush to install scrubbers will result in limited capacity at yards.

“From our experience, in general ship repair yards still have capacity to receive orders for retrofitting by the end of next year,” Mr Bonaso said, adding that the slot had to be reserved up to 10 months in advance, as that was the time it took to have a scrubber delivered if ordered now.

The company has 20 box-shaped open-hatch handies, 12 of which are owned, while it operates 23 supramax vessels, of which five are wholly owned and four are in a joint venture, according to its website. In the panamax segment and above, the company has 24 vessels listed, of which eight are owned. About half of the vessels are on long-term time charters with purchase options.

The company said it was not planning an expansion of its core fleet. It has renewed its fleet in the last two to three years, disposing of 15 “commercially obsolete” vessels, while adding 30 eco-ships.

“But we don’t rule out a further expansion if we find opportunities and will be able to develop further our cargo book,” Mr Bonaso said.