

ShipBuilding

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**Growing demand
for scrubbers**

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Growing demand for scrubbers

VDL AEC REPORTS THAT SHIPOWNERS ARE SWITCHING FROM LOW-SULPHUR FUELS TO SCRUBBERS

SINCE THE SULPHUR REGULATIONS CAME INTO EFFECT ON 1 JANUARY 2020, SHIPOWNERS EITHER HAVE TO SAIL ON LOW-SULPHUR COMPLIANT fuel or have an exhaust gas cleaning system (EGCS) installed. According to VDL AEC Maritime, more and more owners are choosing the latter option, profiting from the savings on fuel costs.

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IMO regulations to reduce sulphur oxides (SOx) emissions from ships have progressively tightened over the years. From 1 January 1t 2020, the emission of sulphur into the air is limited for all vessels globally, including ships operating at open sea.

“
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Shipowners are faced with the decision to sail on low-sulphur compliant fuel (VLSFO) or to install a scrubber and sail on high-sulphur fuel (HFO). “From the beginning of this year, the majority of shipowners are sailing on ‘low-sulphur’ fuel oil”, reveals Joost Wijdeveld, Sales Director at VDL AEC

Maritime. “Since then, increasingly more reports are coming in regarding cylinder liner wear and the overall damage that low-sulphur fuel is causing. This makes shipowners rethink their decision on installing a scrubber.”

According to Mr Wijdeveld, the benefit comes not exclusively from the savings of the lower fuel price. “Profit comes also from the high-sulphur fuel, which acts as lubrication and is the fuel for which these engines are originally designed. Furthermore, tests show that low-sulphur fuel oil is not always on spec, meaning the indicated sulphur content is not always what is actually in it. This gives shipowners yet another worry, as they are not always certain if they are compliant when using VLSFO.”

Turnkey service solution

VDL AEC Maritime first built a solid reputation by installing closed-loop scrubber systems on ferry vessels. These ships sail in coastal areas where regulations came into effect earlier on and where no overboard discharge is allowed. VDL AEC Maritime has now installed more than 100 scrubber systems, open, closed and hybrid loop, for various kind of vessel types, including bulk carriers, tankers, and ferries. “Our scrubber system is compact, inline, and easy to install. The highest quality materials and components are used, making the system very reliable”, declares Mr Wijdeveld. “We have over the years managed to make scrubbing simple. Our systems are easy to operate, maintenance-friendly, and can be fitted into vessels with all types of engines. The EGCS is easy to operate by the vessel crew, which will receive our support via an effective familiarisation training upon delivery.”

VDL AEC Maritime has its own in-house manufacturing plant at VDL KTI, located in Belgium. Both companies are part of the VDL Groep. The company prides itself on the fact that its EGCS is one of the most energy-efficient systems in the industry, additionally saving on operational costs. “After



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Market position in Greece

VDL AEC Maritime received a significant order for the delivery of seven scrubber systems from Greece-based ship management company Thenamaris in December 2019. With this order, VDL AEC Maritime further strengthened its market position in Greece. Thenamaris Ships Management is a global ship manager of high specification modern ocean-going vessels and provides its services as agents only. The fleet under management currently comprises 86 vessels, including oil tankers, bulk carriers, and containerships. The first scrubber systems for Thenamaris have been successfully installed and certified, while some are scheduled for installation later this year.

installation, we have a team of professional service engineers and a complete aftersales department available, providing 24/7 service assistance and spare part availability", states Mr Wijdeveld. "Besides this, we have a smart turnkey service solution that involves "one combined service attendance" for the MARPOL calibration & annual maintenance of the gas analyser and water monitoring system."

Low oil prices

With investments like these, shipowners are most interested in how quickly they can recoup the cost of installing an EGCS. "The return on investment of a VDL AEC Maritime scrubber system is well under three years and often within one year", explains Mr Wijdeveld. "After the investment has been earned back, the shipowner will profit from the savings in fuel expenses for a prolonged period. The VDL AEC Maritime scrubber system also has a relative short installation time, saving shipyard installation costs and further reducing the shipowner's valuable off-hire time."

According to Mr Wijdeveld, the decision to install a scrubber for the large part depends on the price spread between HFO and VLSFO. "With the current narrowed price spread, the extraordinary payback time of less than one year is slightly increasing, but still well under three years, which is considered the bench mark for return on investment calculations. Various resources like ING and Bloomberg indicate that the price spread will again widen to more than USD 180 by 2021. Given the production and installation time, if shipowners buy a scrubber now, they will directly profit once the system is installed." The growing demand coupled with the COVID-19 pandemic have caused delays in installing scrubber systems at shipyards. VDL AEC Maritime has nevertheless found a way to manage the situation. "We further reduce the off-hire time of vessels via smart pre-fabrication and effective delivery arrangements with our suppliers", concludes Mr Wijdeveld.

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