

# IMO 2020



**IMO Impact analysis**  
**Verified fuel charges**  
**Bunker formula**  
**Fuel cost mitigation**

# Preparing for 2020: IMO low-sulphur rule change

## Introduction and background

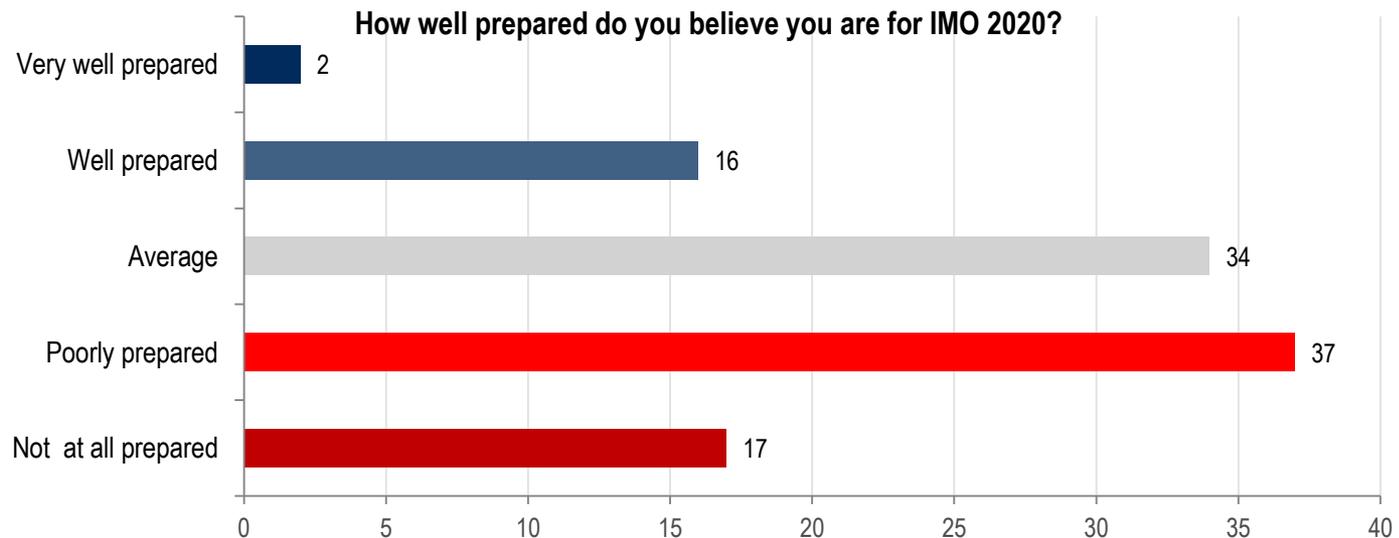
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- The **IMO's global emissions regulations**, due to come into force in **January 2020**, will require a large reduction in sulphur emissions from marine fuel used by the 5,200 container vessels currently in operation globally.
- In most cases the **tightening of emissions rules** will require the use of cleaner, more expensive fuel or investment by ship owners to install “scrubbers” on their ships.
- Clean, low-sulphur fuel compliant with the 2020 rule currently **costs about 50% more** than the current high-sulphur fuel used by ocean carriers in most regions of the world.
- In a global survey conducted by Drewry, shippers and forwarders expressed both **uncertainty and concern over the impact** of the new regulation.

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## Drewry survey findings

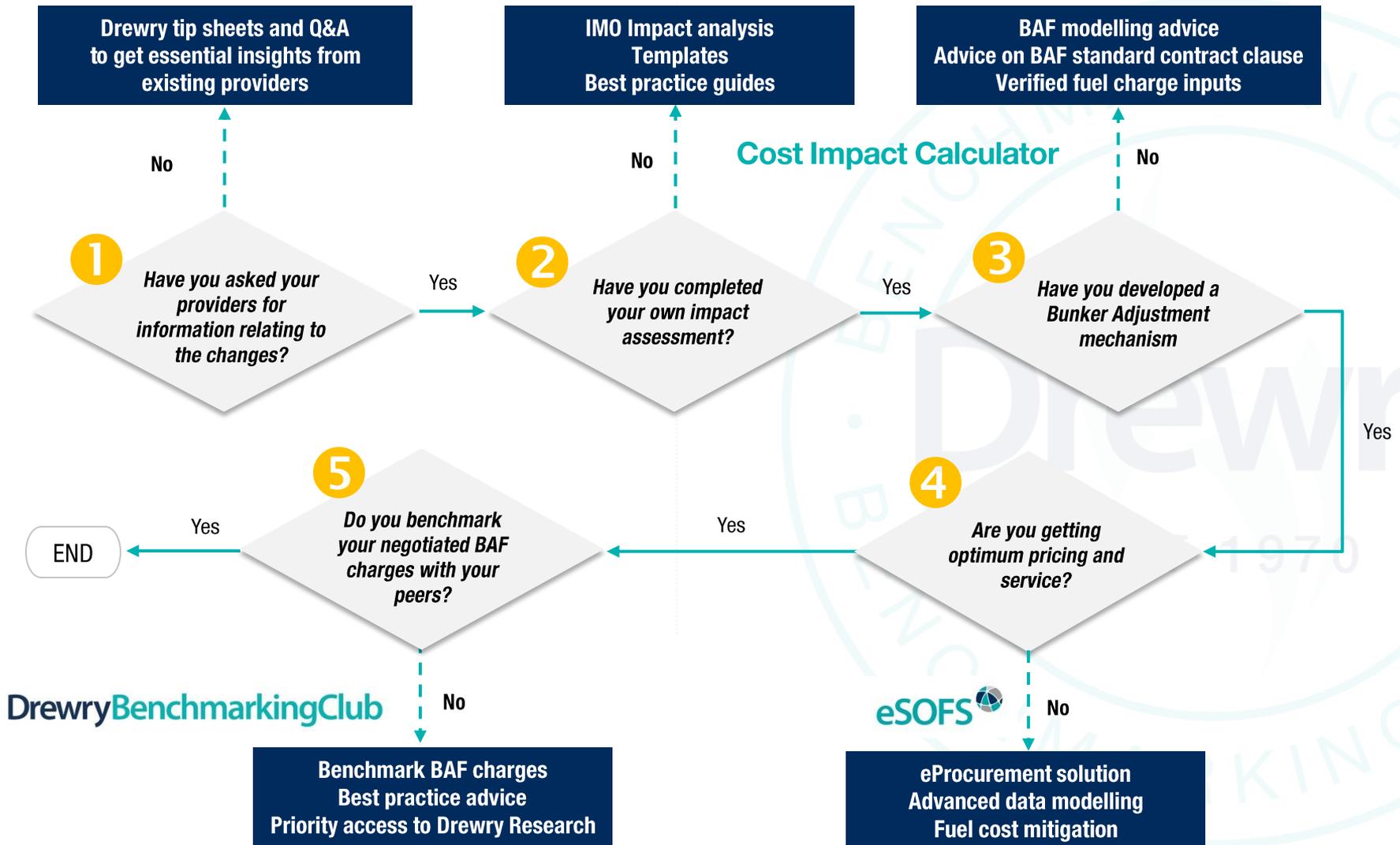
- IMO 2020 low-sulphur rule change global survey of shippers and forwarders conducted by Drewry, 3Q18. Respondent summary findings:
  - **33%** admitted poor awareness/understanding of the new regulations
  - **56%** expressed concern over lack of transparency in carriers' fuel cost recovery methods
  - **4** out of **5** respondents hadn't received clarity from their carriers as to how additional fuel costs will be covered



- Download the full report: [Drewry Survey - IMO 2020 global emissions regulation](#)

# Services from Drewry Supply Chain Advisors

IMO Impact analysis | Bunker formula | Fuel cost mitigation | Verified fuel charges



# IMO 2020 Support Services from Drewry Supply Chain Advisors

## DrewryBenchmarkingClub



**Better manage internal cost expectations**

**Cost Impact Calculator  
Understand cost exposure  
Best practice guides**

**Overcome challenges of post-IMO BAF contractual clause**

**BAF modelling advice  
Advice on BAF standard contract clause  
Verified fuel charge inputs**

**Minimise cost impact of higher BAF**

**eProcurement solution  
Advanced data modelling  
Fuel cost mitigation/hedging**

**Confidence through peer cost comparisons**

**Drewry Benchmarking Club  
Best practice advice  
Priority access to Drewry Research**

To prepare for the IMO regulatory change, contact us at

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# Key personnel



## Philip Damas

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**Philip Damas** heads up Drewry Supply Chain Advisors, the logistics arm of the Drewry Group and has more than 30 years experience in the international ocean transport sector and maritime supply chain design and optimisation.

Prior to joining Drewry in 2005, he worked for CMA CGM and the container shipping consortium Cobra in various management and financial control roles until 1990. He then spent the 1990s analysing the logistics policies of exporters/importers and of logistics service providers when working with American Shipper and Containerisation International.

At Drewry, Philip has advised Del Monte, Solvay and Marks and Spencer on their transport strategy and routes and provided consultancy to retailers, manufacturers and investors on ocean freight strategy, freight rate benchmarking, network optimisation, logistics property investments/due diligence, carrier contracts and port competition.

Philip holds an MBA from the University of Bradford Management Centre and a B.Sc. and M.Sc. Finance from the University of Strasbourg.



## Cath Earl

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Cath Earl has worked as Eurobuyer Logistics - Global Seafreight and European Logistics Contracts Manager at Heinz, the US multinational. She has delivered cost reductions and improved efficiencies through developing, implementing and managing all aspect of tender processes. Cath has developed and managed Carrier and Service provider contracts, ensuring alignment with cost and service objectives

While at Heinz, Cath was preparing, carrying out and managing the group's full e-tender of 1,200 global routes and preparing and negotiating contract agreements. She has implemented standardised contracts, KPIs and processes across the NW Europe region for Logistics Providers. Contract negotiation and tenders.

At Drewry, Cath has managed global ocean e-tenders for the United Technologies/Otis/Carrier group and for the Metro group and advised other companies on setting up electronic tenders.

Cath also manages the Drewry Benchmarking Club