

IMO 2020 – Living with the Fear of the Unknown

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IMO 2020 has rapidly become the most talked, debated and feared oil regulation in decades. The global oil industry has for a long time been able to dispose of excess sulphur into the marine fuel market, but this comes to an end on January 1, 2020. The paper will look at the origins of the IMO 2020 regulation and outline whether the shipping industry and governmental authorities will comply and enforce. Transitional and post 2020 marine fuel demand will be predicted, the uptake and impact of exhaust gas scrubber installation considered, and possible supply shortfalls examined. The paper will hypothesize how this regulation will impact refining and what the refineries and many national oil companies are planning from both global and regional perspective. The key bottleneck around disposing of excess high sulphur residual fuel will also be discussed. Finally, the paper will consider the future of marine fuel and the longer term implications for the shipping along with oil and gas.