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To:	All Surveyors/Auditors
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Subject:	Hull Coating Priorities for 2016
Reference:	Drydock cycle

Hull Coating Priorities for 2016

Trevor Solomon, Intersleek Business Manager at AkzoNobel's Marine Coating's brand, International, outlines his predictions on the key factors that will influence hull coatings investment in 2016.

While low oil prices have injected a degree of optimism into business profit projections for the next twelve months, considerable challenges still lay ahead for the shipping industry. For example, there is still overcapacity, low freight rates and intensified competition to contend with. And combined with more **environmental regulations**, as well as pressure from charterers to be more sustainable, it is still tough for many owners and operators, who are rightly scrutinizing all costs to maintain healthy profit margins.

In particular, shipowners and operators are paying close attention to the rate of return from all services and solutions they procure – including hull coatings. When it comes to selecting the right coating for each vessel, decision makers are often influenced by the initial capex cost of the coating under consideration versus the opex savings and environmental benefits it can deliver in service.

Advanced eco-efficiency hull coatings have the ability to reduce average fuel spend on a vessel by up to nine percent per annum.

The more efficient the coating is throughout the **dry docking cycle**, the greater the fuel and emissions savings shipowners can pass to their charterers. It is this combination of environmental and economic benefits that increases the marketability of vessels with the most efficient hull coatings, enabling ship owners to retain a competitive edge.

While picking the hull coating that delivers the greatest efficiency may sound straight forward, it would be folly to assume so. Such an assumption would not take into consideration the fact that hull coating efficiency is dependent on a wide range of operating conditions and environmental factors, as well as the unique design of each vessel. In addition, while hull coating providers have long since produced performance predictions for their solutions; these statistics can still be met with a degree of skepticism from ship owners.

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Promoting choice

The needs of shipowners continually change as the industry transitions. From a manufacturer's perspective, this means having the capabilities to provide a real choice of fouling control technologies to meet the requirements of the full spectrum of the industry; from predictability to slime control, from customers who want premium eco-efficiency technologies, as well as those that don't, and also those who want to slowly evolve their sustainability commitments in line with their approach to CSR and budgetary constraints, but still want cost and efficiency gains. Within the market segment that understands the economic and environmental benefits in embracing sustainable practices, there are those who will pay the price for premium products that generate maximum efficiency gains as well as those that want something affordable that still delivers financial, efficiency and environmental benefits. These demands are reflected in International's Intersleek and Intercept ranges.

Transitioning to eco-efficiency technologies

One of the key barriers preventing shipowners from selecting the most efficient hull coatings is the upfront investment required at the ship building and drydock stages. This is a challenge that must be addressed so that the sustainability transition is felt across the shipping industry. Recognizing this challenge, International has set out to make eco efficiency technologies more attractive to ship owners through its industry first carbon credits initiative, which rewards those who upgrade from a biocidal to a biocide free hull coating, such as one of the company's Intersleek products. The scheme enables ship owners and operators to generate income in the form of carbon credits, which are earned by reducing CO2 emissions. These can then be sold for cash, or offset against other parts of a company's operations. The first carbon credits are expected to be awarded in Q1 2016, an announcement that we hope will act as a further catalyst to encourage more ship owners to select the most efficient and more sustainable hull coatings.

REFERENCES:

- **Drydock Survey**

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