

## SEEMP one year on – a market analysis

# A win-win situation

Since the onset of the economic and financial crisis, at least, cutting costs has been high on the agendas of shipping lines and ship managers. Money does not exactly grow on trees, but according to a new study conducted by DNV GL, energy-efficient ship operations hold significant potential. Ultimately, both the environment and shipping lines can benefit.

Although shipping companies have complained repeatedly of the high costs associated with introducing more stringent regulations to protect the environment, a good energy management system can in fact result in tangible competitive advantages. Reducing fuel consumption therefore continues to be a primary focus of fleet management.

The «Energy Management Study 2014», conducted by DNV GL, shows that there is still considerable untapped potential in the area of fuel efficiency. One year after the introduction of the mandatory ship energy efficiency management plan (SEEMP), the classification society has examined the question of how the maritime economy is fulfilling its obligation to increase the energy efficiency of its vessels, despite adverse market conditions. DNV GL interviewed ship managers, owners and operators, who together are in charge of more than 2,000 ships. All of these ships combined burn fuel worth more than USD 25 billion every year.

## Both ship managers and lines benefit

Although leading maritime firms have managed to trim energy consumption by 10% or more, most of the companies in the industry have achieved only very meagre savings of 1 to 3%. Furthermore, the study concludes that an effective energy management system not only results in better utilisation but also in higher charter rates. This benefits both ship managers and lines.

The leading enterprises in the industry have realised high savings by taking measures that go beyond the usual weather routing and auxiliary engine optimisation measures. The steps include the introduction of complex measures that require cooperation with business partners.

Furthermore, a clear focus on anchoring responsibilities within the organisation has taken centre stage. In addition, the introduction of performance management systems dedicated to the continuous review of consumption data and targets is

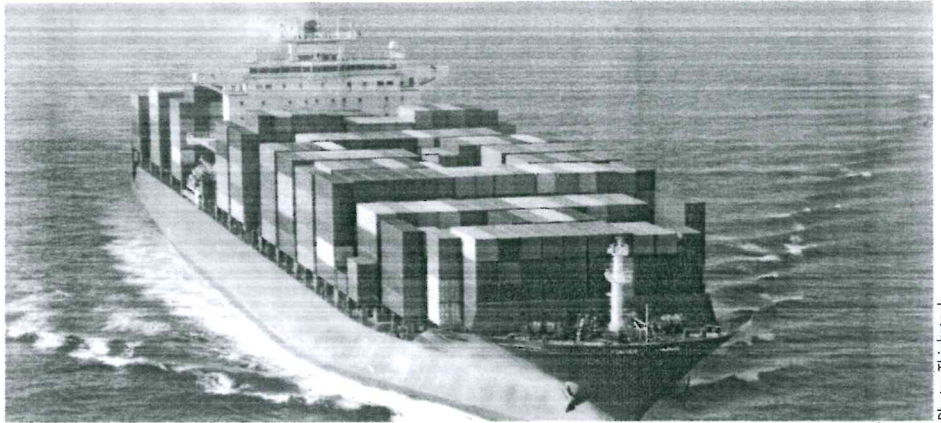


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DNV GL has pointed out that shipping lines can save substantially more fuel than so far.

among the important tools that companies are using. The study concluded that support of these measures through training and communication has also helped to achieve efficiency goals.

## Some obstacles to implementation

Nevertheless, there is still plenty of work to be done in this area. Nearly half of all of the undertakings surveyed said that a lack of expertise among their employees represented a challenge with regard to implementing an energy management system. In addition, more than 30% of the participating firms cited an unwillingness to embrace change as an obstacle to implementation.

Enterprises in which implementation was more successful not only managed to lower their bunker costs but also achieved higher charter and fleet utilisation rates, in many cases. Energy management has thus developed into a clear competitive advantage.

The results indicate that firms with more modest improvements have mostly focused on formal compliance with regulations, rather than on developing a concept tailored to the needs of the undertaking. «Enterprises that learn from the best can tap a huge potential,» says Julia Kühnbaum, who authored the study, in collaboration with a team of experts at DNV GL Maritime Advisory. *av*

## More shipping room for reefer boxes

According to analysts at the English consultancy Drewry, the capacity for reefer containers in the containership fleet will increase by 22% by 2018. Shipping lines will therefore reduce the proportion of ships specialising in reefer transportation, at the same time as they will increase their reliance on refrigerated transport carried out by containerships.

In its latest «Reefer Shipping Market Annual Review & Forecast» Drewry has concluded that the capacity for reefer boxes will increase from 1.6 million slots

for 40 ft containers in 2013 to 1.9 million slots by 2018.

This development is not expected to have a negative influence on the utilisation rates of ships because, according to the analysts, cargo volume is also expected to rise. Over the period covered in the study, the analysts have projected that reefer container volumes will increase by approximately 20.5 million t. The maritime transport of perishable goods is expected to increase by 17%, or 16.5 million t between 2013 and 2018. *av*