

Evolving markets and opportunities

Interview with
Salvatore d'Amico,
Fleet Director



and **Cesare d'Api**,
Deputy Technical
Director, d'Amico
Group



The shipping industry is transforming and evolving in so many ways that every year, every month, every day can be totally unpredictable and different from the one before. And like in Darwinian evolution, we believe the industry is continuously improving. The two most significant factors shaping the present and future of maritime transportation are, of course, the environment and digitalisation.

To be competitive nowadays, it is of paramount importance to respect and protect the environment. This means going above and beyond mere compliance with international standards and rules. Many shipowners see the IMO 2020 sulphur regulation as a challenge, as they must spend time and money installing scrubbers or switching to sulphur-compliant fuels. In contrast, we have welcomed the opportunity to make our procedures for fuel handling and management more robust. We started planning for the switchover well in advance using a risk-based approach and have already implemented the necessary retrofits and risk mitigation measures. We are

now focused on properly managing the tank cleaning, adapted bunkering operations, switchover procedures and tests.

We welcome the new regulations for economic as well as environmental reasons, as they are likely to boost the oil tanker market in the long range and medium range segments. Demand for oil product tankers in the last two quarters of 2019 is anticipated to rise, with an increase in long-haul shipment of compliant fuels and blends to the main bunkering centres.

We expect the US Gulf to be an important export hub for refined products over the next few years, driven by modern refineries with low energy and crude oil costs. Supply to Central and South America, as well as West Africa, will increase in addition to the traditional diesel arbitrage trade to Europe. Similarly, expanded refinery capacity in the Arabian Gulf means that increased volumes will be exported from this area to Asia and Australia as well as to Europe. In the longer term, we also expect China to bring additional export capacity to the



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Asian market for regional distribution.

The market opportunities do not only lie in the transportation of oil products, but in the tankers themselves. We see constantly growing demand from oil majors and other leading market players for “eco” vessels offering better environmental performance, including lower carbon emissions and fuel consumption. This trend will become even more consistent in the near future due to the progressive decarbonisation of maritime transportation. In line with this, there is also increasing focus on the quality of ship management companies and their proactive approach to continuous improvement. The latest revision of the Tanker Management and Self Assessment (TMSA) programme confirms these trends.

To satisfy these market needs, d’Amico Group has built more than 20 modern eco oil tankers that meet the requirements of phase 2 (2020–2024) of the Energy Efficiency Design Index (EEDI). The vessels combine hydrodynamic hull forms with low-friction antifouling paint, optimised engine and propeller sizes and fully electronic engines. On the ship management side, we constantly adapt our procedures as market needs evolve, in particular by modernising vessel maintenance and performance monitoring and by taking full advantage of digitalisation.

Digitalisation is the other key element that will substantially affect the industry, vessels, infrastructure and the connections between them. We believe the fleet of the future will be an ongoing digital “conversation”. Fleet managers will be better able to analyse data and advise the Captain, Chief Engineer and crew on navigation aspects, route optimisation, weather conditions, fuel consumption and more. They will be able to carry out smart maintenance procedures as well as remote diagnostics and structural stress analysis. This will help to reduce the risk of human errors leading to accidents, as well as increase efficiency, reliability and environmental performance.

We are carrying out several innovative projects aimed at taking advantage



of the opportunities offered by digitalisation. These include a gradual switch to condition-based maintenance using technologies such as videoscopy, thermography, digital calibration and vibration monitoring. Big data analysis will also be leveraged for better decision-making in areas such as hull and propeller cleaning schedules, the effect of carbon dioxide-saving devices or low-friction antifouling paint and vessel performance model validation. We have worked with RINA on several projects involving ship management digitalisation over the last few years, including important work on speed and performance monitoring. We are currently working together on the digitalisation of record books and the development of a Smart Fleet Operating Centre.

Deep knowledge and an innovation-oriented approach are essential features of a classification society in these complex and dynamic projects. The theoretical and practical expertise they can provide, covering a wide range of competencies and involving sophisticated tools, are invaluable in helping us take advantage of the opportunities of this fast-evolving market.

“The fleet of the future will be an ongoing digital ‘conversation.’”

BIOGRAPHY

Salvatore d’Amico is Fleet Director of d’Amico Group, a family business for three generations. He graduated in Economics in Rome and worked with JP Morgan in Geneva before returning to d’Amico Group, where he gained experience in different departments including two years in the d’Amico Dublin office. He is a member of several Boards, notably d’Amico Shipping Singapore and d’Amico Shipping Italia. He has been CEO of Singapore-based ship management company Ishima, a d’Amico Group subsidiary, since 2013.

Cesare d’Api is Deputy Technical Director of d’Amico Group. Prior to that, he spent 12 years as Technical Manager responsible for the tanker fleet division. From 2000 to 2002 he was a Senior Consultant at ICM Consulting, where he led several ship management optimisation projects. Along with 19 years of experience in ship management maintenance optimisation, cost optimisation, disaster recovery projects, refit projects and innovation, Cesare d’Api holds a degree in Mechanical Engineering from the University of Naples and is a member of the INTERCARGO Technical Committee.