

Fairplay > Commerce

Ecoslops has expansion on the cards as vessel operators see discharge rates rise

Savahna Nightingale, Senior Editor | 29 January 2016



print



Ecoslops' refinery in the Port of Sines, Portugal. Photo: Ecoslops

Ecoslops has its eye on new sites to expand its capability of producing recycled marine fuels at a time when vessel operators are under increasing pressure to dispose of their slops.

The first company to develop the technology to do this, Ecoslops has recycled nearly 5,000 tonnes since commencing full production through its site at the Port of Sines in November 2015.

Earlier this month the company began the process of developing a new site in Abidjan, Ivory Coast, and is in talks with the port of Constanta in Romania. Vincent Favier, CEO at Ecoslops, told *IHS Fairplay* that it is now in discussions for two additional sites in the south of France and another in the "Amsterdam region".

"The aim is to partner with local slop collectors who already have their 'hand on the slops', leaving us to bring the recycling technology," he said.

Slops collectors are under increasing pressure to sell their end product as its value has fallen, and Ecoslops hopes to capitalise on this.

"Today at the current oil price, slops collectors are losing money in this business and are unable to make a profit. The cement plants, which are the only customer option for them, can now find virgin fuel oil, which is very cheap," Favier said.

Slops would typically have been sold for around EUR150 (USD164) per tonne after treatment when the oil price was USD60 per barrel. "Now they are more or less giving the slops away," he noted.

Meanwhile, vessel operators, who were typically being charged USD44 per tonne of slops, are now being charged up to USD80 by collectors who are losing money in the resell.

"In Europe the traditional slop collectors are all losing money because the cost to treat the water is higher than the fees that they charge to the vessel owners," Favier explained.

The knock-on effect on ports that do not have sufficient storage infrastructure to cope with the discharged and unsold slops is a worry. "Port authorities are really concerned. It used to be a minor issue in the past but is now a huge challenge. We are giving this technology for free."

But to break even, Ecoslops must recycle 30k tonnes of slops per year. The company's plan is to achieve this by importing slops from elsewhere in Europe, which they have started doing. "Sines is too small to collect 30k tonnes in a year," Favier said.

Despite this, Favier says it makes commercial sense. "Even with the current oil prices, we can still make money on the quality of our end products. And if the market improves, we can even consider paying vessel operators for the slops."

Contact Savahna Nightingale at savahna.nightingale@ihs.com