



The 12th International Fujairah Bunkering & Fuel Oil Forum Fuelling The Future - Solutions & Challenges

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FUJCON 2021: Shipowners face 'really challenging' future fuel choices, says IBIA Director

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Shipowners are currently facing a predicament over the choices of the correct future marine fuel to help them meet IMO 2030/2050 targets, says the Director of the International Bunker Industry Association (IBIA).

The International Maritime Organization (IMO)'s initial GHG strategy envisages to reduce CO2 emissions per transport work, as an average across international shipping, by at least 40% by 2030 pursuing efforts towards 70% by 2050 compared to 2008; and that total annual GHG emissions from international shipping should be reduced by at least 50% by 2050 compared to 2008.

"There is interest in terms of the uptake of liquefied natural gas (LNG) and I think there's a very interesting parallel actually between the implementation of IMO 2020 and what we're thinking about in terms of the IMO greenhouse gas reduction targets," Unni Einemo told delegates at the 12th Fujairah International Bunkering and Fuel Oil Virtual Forum (FUJCON 2021).

"In both parallels we have uncertainty about which fuel is going to be the best and most financially viable solution; where you're also going to have availability of these fuels.

“Am I betting on the right horse, so to speak, and so with LNG you see the same question coming up and LNG does have a couple of advantages.”

Einemo notes LNG is widely available as a commodity, with the supply infrastructure for the product growing steadily.

“There is genuine interest in LNG and you’ll see it growing quite fast because of newbuilds coming into the market. LNG really is a solution for newbuilds because retrofitting LNG engines is quite expensive and not the most economical solution,” she explains.

“However, LNG has the trouble of having very high entry level costs but once you’ve done it this is seen as a good alternative. But when you’re looking at the long term, unless you can get current fossil-based LNG replaced with renewable LNG it is going to be only a very expensive bridging fuel.

“So I think it is definitely one of the options but of course people are looking at all the horses out there and thinking; which of these horses is the right one for me.”

In addition to costs, shipowners will have to consider the longevity of the vessel when making their fuel choices.

“Marine fuels don’t exist in a vacuum. Future marine fuels need to be part of the overall global energy picture,” notes Einemo.

“For example, many people think the hydrogen economy is where the future is at and so they think that’s where they need to invest as well.

“So, it’s really quite difficult right now for anybody to make the right investment decisions. It is really challenging.”

A series of interviews conducted by Manifold Times as part of pre-event coverage for FUJCON 2021 can be found below:

Photo credit: International Bunker Industry Association
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