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## Opec sees fossil-fuelled future for shipping



SHIPPING'S DRIVE TO decarbonisation will not be at the expense of fossil fuels or lead to falling fuel oil consumption, oil producers conclude in their latest medium- and long-term forecasts of global energy demand.

Demand for marine bunkers — now at 4m barrels per day — will rise a further 400,000 bpd by 2025, and stabilise at 4.6m bpd-4.7m bpd over the next 25 years, the latest outlook from the Organisation of the Petroleum Exporting Countries suggests.

The projected growth is seen despite decarbonisation objectives and signals that the oil cartel is downplaying the role of future fuels such as hydrogen and ammonia alongside traditional fuel oils.

Opec said liquefied natural gas was “one obvious alternative” for shipping fuels, although the shortage of bunkering services remained an obstacle to its widespread adoption. Biofuels were also a likely fuel substitution.

Of the other energy alternatives such as hydrogen, methanol or ammonia for maritime transport, Opec's World Oil Outlook 2045 said: “Prototype vessels for each of these alternative powertrains exist already, demonstrating their advantages, but clearly also disadvantages.

“Given the relatively slow vessel turnover in the shipping industry and lack of necessary infrastructure required for the widespread use of any of these alternative powertrains, it is very unlikely that they will have a material impact on marine bunker demand during the forecast period.”

The Opec report had a similar assessment made for road transport fuels.

Diesel remained the “most economically attractive technology, especially for heavy trucks”, even as the report noted electric and electric-battery alternatives were used for short-term urban commercial vehicles.

“It is more probable that LNG will lead the shift away from diesel fuel for heavy duty vehicles,” it said.

Opec’s assessment differs markedly from the International Energy Agency, which said biofuels, on top of energy efficiencies, would make the largest short-term contributors to reduced shipping emissions.

Biofuels supply, which Opec measured at 2.3m bpd in 2020, was not mentioned further as an alternative for shipping fuels in the report.

“In the long term LNG may play a much greater role as a marine fuel than it currently does,” the Opec report said.

“Most large marine engines can already be ordered as dual fuel engines which can use both fuel oil and LNG. LNG could in fact become the dominant fuel, especially for large ocean-going vessels, this would result in substantially lower CO2 emissions compared to oil-based fuels.”

Waste recovery heat units could add 10% of additional power to the main engine, according to the report, while internal combustion engines are the most productive, achieving efficiency rates above 50%.

The International Maritime Organization has set targets to improve new ships’ efficiency by 30% by 2025 and cut greenhouse gas emissions by 50% by 2050.

“In the marine sector, besides evolutionary improvements in fuel efficiency, the highest uncertainty relates to the rate of penetration of LNG-based vessels.

“Even a minor adjustment of this rate could potentially lower oil demand in this sector by 300,000 bpd at the end of the forecast period.”

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## WHAT TO WATCH

# Opec forecasts stagnant crude oil trade over next decade

MIDDLE East crude and condensate exports are forecast to decline by 1.8m barrels per day from 2019 levels over the next five years, according to the Organisation of the Petroleum Exporting Countries.

At the same time refined product trades will grow by 2m bpd to 20m bpd, the organisation said in its World Oil Outlook 2045.

The 13-member oil-producing cartel moderated its longer-term demand growth forecasts for crude, refined products and natural gas over the next 25 years, with its medium-term outlook showing any recovery from the coronavirus pandemic is at least two to three years away.

The assessment signalled little rise in cargo volumes for tankers shipping crude and refined products over the next decade. The falling crude volumes from the Middle East equate to some 350 fewer very large crude carriers loading from the region annually.

Global “interregional oil flows of crude, condensate and products” were forecast to be “stable” until 2030 at around 38.5m bpd, after allowing for any short-term drop in 2020, the report said. Flows would then increase to 41m bpd by 2045.

“Middle East exports drop from 18.5m bpd in 2019 to below 17m bpd in 2025 due to lower demand for Opec liquids and higher domestic use, but recover by 2045,” the report said.

Still, Middle East-Asia crude shipments would remain the largest trade flow, rising to 20m bpd in 2045 from 15m bpd currently.

That is equivalent to an additional two VLCCs and one suezmax tanker required daily.

Overall, oil demand is forecast to rise by 10m bpd to 109.3m bpd by 2045, according to Opec, as the global economy doubles in size.

The report also warns of uncertainty about the pace and scale of the post-pandemic economic revival, which could skew estimates by as much as 8m to 10m bpd.

This appeared to be its only concession to some analysts' views that the pandemic accelerated a "peak oil demand" scenario.

Opec's official view is that after collapsing by nearly 9m bpd in 2020, oil demand will reach 103.7m bpd by 2025. Some 1.4m bpd of that growth would come from China, and 1m bpd from India, offsetting declines in Europe and North America.

The range of oil demand growth by 2045 "could be as wide as 8m bpd" after the report considered two alternative cases to address economic development after the pandemic-induced global economic slowdown.

"Adoption of more stringent energy policies and faster penetration of energy-efficient technologies could expand this range to 10m bpd," the Opec outlook cautioned.

"On the supply side, broadly similar ranges of uncertainty with regard to medium- and long-term non-Opec prospects result from sensitivities around the resource base, technology, the role of policy and upstream investment, in addition to paths for post-pandemic recovery."

Oil would account for the largest share of the energy mix by 2045, under Opec's outlook, at 27%, but down from 2019 levels of 31%.

## LNG bunker tie-up seeks to service east-west trades

PAVILION Energy, a unit of Singapore's Temasek Holdings, and Gasum, a Finnish state-owned gas company, are teaming up to extend trans-continental liquefied natural gas bunkering services to ocean-going cargo ships.

The two parties have signed a memorandum of understanding outlining their intent to collaborate by pooling bunkering resources to refuel ships serving long-haul, East-West sea trades.

Next year, Pavilion Energy is set to bring online the first tanker it has hired on a long-term charter to deliver ship-to-ship LNG bunkering out of Singapore, the world's busiest bunkering hub.

Gas would be the second-largest contributor by 2045 at 25%, after demand rose from the current 67m barrels of oil equivalent per day to 91m boe per day in 2045.

Middle East-Asia crude and condensate trade flows remained the largest and most important under Opec's estimates, rising by 5m bpd over the next 25 years to 20m bpd, the report said. Asia Pacific imports were forecast to rise to 30m bpd from 23.7m bpd in 2019.

Although product trades are forecast to rise by 2m bpd by in 2025, they would then fall back to 18m bpd five years later as refineries in importing regions of Africa and Latin America came online, reducing tonne miles. By 2045, product trade was seen at 22m bpd, and linked to rising demand in the Asia Pacific region.

Refineries will also have to close in manage overcapacity, with 5.2m bpd in new complexes starting up over the next five years.

Road transport fuels consumption, which contributed to 45% of global demand last year, dropped by 4m bpd from 44.4m bpd in 2019.

This was expected to be recover and rise to 47m bpd by 2045 as diesel and gasoline lost ground to electric cars. Opec says electric vehicles will comprise 430m of the 2.6bn on the road by then.

The Opec assessment of refinery throughputs has also been pared back, rising to 87.3m bpd in 2035 from 82m bpd, with growth front-loaded over the next five years as additional capacity comes online.

Gasum owns five LNG bunker vessels and several LNG terminals in the Nordic region.

"This partnership underlines our aim to build a world-wide partner network," chief executive Johanna Lamminen said. "For our customers this mean that we will support them with LNG wherever they are."

Frédéric H. Barnaud, chief executive of Pavilion Energy, flagged plans to "complement the Gasum alliance with additional LNG bunkering partnerships in the Mediteranean, North Asia and the Americas".

"Our network will combine global commercial offerings with regional operational expertise and

bring further momentum to the emergence of a thriving LNG bunkering industry,” he said.

The Gasum alliance is one of several building blocks backing Pavilion Energy’s bid to resolve ‘chicken-and-egg’ concerns commonly seen as holding back the growth of global LNG bunker trade.

Some in the industry have questioned the viability of investing in LNG-fueled ocean-going tonnage given the lack of visibility until recently, over the availability of ship-to-ship transfer infrastructure needed to bunker these vessels.

In turn, a reluctance to invest in such shipping tonnage will not have encouraged investor interest in the required bunkering infrastructure.

Pavilion Energy has defied such conventional wisdom by committing to back the construction of a 12,000 cu m LNG bunker vessel, with the aim of having it ready by next year.

This also positions the LNG-focused player as one of only two players licensed to operate in Singapore, to bunker the world’s first ocean-going LNG-fueled container ships.

France’s CMA CGM has already taken delivery of the first in a series of 23,000-teu container ships equipped to run on LNG. It has committed to bringing online easily over a dozen more such vessels in the next few years.

“We envisage that some of these CMA CGM vessels will be bunkered in Singapore as early as 2021,” said Alan Heng, managing director for Asia region at Pavilion.

This signals a major thumbs-up for LNG bunker trade gaining significant traction, considering as Mr Heng has highlighted during his presentation, that just over 500 vessels worldwide are not capable or ready to run on LNG.

He pointed to one projection suggesting exponential growth to a 8,000-strong LNG-fueled fleet by 2030.

That would equate to a 30-fold expansion in marine LNG demand to over 20 m tonnes each year.

Pavilion Energy expects Singapore, as a leading bunkering port, to command a 20% share of this growing market.

In seeking to fulfill the promise of the still nascent industry, the Singapore-based LNG player is looking for more tie-ups with like-minded partners such as Gasum.

That is also expected to pave the way for the industry at large to scale up soon enough to serve international shipping.

Mr Heng cited data that shows just 15 ports are now capable of performing ship-to-ship bunkering worldwide, with another 15 joining in the coming years.

Pavilion Energy is now looking for collaboration opportunities in China and South Korea, where it has held talks with potential partners.

The aim, as Mr Heng puts it, is to bring LNG to “where the customers are”.

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## ANALYSIS

# Study finds SOx emissions drastically lower using scrubbers

TORM, a Danish product tanker owner, has found that using scrubbers significantly reduced sulphur oxide emissions compared with compliant fuel.

A study found that emissions were about 95% lower, with 39 tonnes of sulphur oxides emitted from 89,360 tonnes of high-sulphur fuel oil burned using an exhaust gas cleaning system, while the corresponding figures for consuming compliant fuel resulted in 722 tonnes of SOx being emitted.

That means that the sulphur content comes out as 0.025% on average when using scrubbers compared with the 0.5% in low-sulphur fuels, which has resulted in a significant improvement in air quality, said Torm’s technical director Jesper S. Jensen.

In addition, 99 tonnes of particulate matter were found using scrubbers, based on an assumption that 80% of the particles are removed in the exhaust gas cleaning system, versus 159 tonnes for compliant fuel, the study showed.

The research, compiled by independent consultant Niels Bjorn Mortensen, used Torm data from 29 ships between January and end of July this year.

It did not measure nitrogen oxides nor carbon dioxide emissions. It also did not show the impact of black carbon.

Torm said it monitors performance of its scrubbers very closely, with updates sent every 15 minutes from the scrubber's control system through to the office for analysis and documentation. Should any issues arise, the scrubber is immediately stopped and compliant fuel is used instead.

The sulphur content from the funnel is measured continuously, as well as turbidity, polynuclear aromatic hydrocarbons and alkalinity in the wash water.

There have been concerns about discharge of wash water from open-loop scrubbers, prompting many ports around the world to ban their use.

Torm pointed to several studies carried out by the Japanese, the classification society DNV GL, and CE Delft, which found that the discharge was well within limits.

The International Maritime Organization is expected to conduct further studies.

There have also been numerous reports of issues including corrosion and engine failure related to scrubbers over the months.

Torm said it has faced no corrosion or other severe issues, such as piping defects, from its scrubbers.

It has only one scrubber supplier — its joint venture with ME Production in China. It also has a dedicated team checking on installation and also providing operational support.

It has, however, identified issues such as sensor failure or issues with water flow or the pump from time to time, but overall, it reported that operational uptime had outperformed expectations, at 99.5%.

## World boxship fleet update: Engines and economics put orders on hold

THE twin uncertainties of future fuels and the state of the global economy are continuing to hold back fleet renewal plans and are likely to do so for some time to come.

In the last few months, the scrubbers had operated with 100% reliability, Mr Jensen said.

Torm has 44 scrubbers in service with retrofits being carried out through the year. It expects to have 49 in operation by next year. It has 73 tankers in its fleet.

When the business case was made to invest in the exhaust gas system abatement technology, payback on the investment was calculated at 1.5-2 years, assuming a fuel price spread of \$220 per tonne, Mr Jensen told Lloyd's List.

Now, depending on which region fuel is sourced from, the spread between high-sulphur and low-sulphur fuel ranges from \$50-\$80 per tonne, extending the payback period to 3-5 years, he said.

"It still makes a good business case and the original assumptions had factored in a narrowing of the spread," Mr Jensen added. "For us, it's about doing the right thing for the environment combined with a sensible business case."

There are less than a handful of ships where the company would not have taken the decision to install scrubbers, given the price difference, he said.

The company is part of the Clean Shipping Alliance and contributes to all discussions around decarbonisation solutions, which all need infrastructure to supply the new fuels, and that could contribute more to climate change than fuel oil, according to Mr Jensen.

Considering alternative fuels, Torm believes that the full net emissions, known as Well-to-Wake, should be taken into consideration for the future.

Producing alternative fuels based on fossil fuels will have a negative impact on the net carbon emissions, while other greenhouse gases such as methane should be taken into account, Mr Jensen said.

The company is also part of the Getting to Zero Coalition, looking at renewable energy solutions aimed at zero emissions from shipping by 2050.

Figures from Lloyd's List Intelligence reported only two confirmed vessel orders during September, with a combined capacity of just 4,300 teu.

The global containership fleet edged up by 89,678 teu during the month, but this was driven by the final deliveries of HMM's 12-ship order for 23,000 teu tonnage, and the first of CMA CGM's 15,000 teu LNG-fuelled vessels.

While orders made several years ago will continue to replenish the fleet for some time to come, the question is now arising as to where the next orders will emerge from.

Carriers and non-operating owners alike appear to be holding back now — and with good reason.

The recently published Global Maritime Issues Monitor pointed to high levels of uncertainty in the shipping market.

The main concerns were over the global economic recovery from the pandemic and what energy source will be used to replace fossil fuels.

These known unknowns are important considerations when planning to spend large sums on expensive and long-lived assets.

Who would spend billions now on ships that will still be in service approaching 2050, particularly when demand is uncertain and the engines that power those ships rely on fuels that are becoming increasingly regulated?

“We are seeing some reluctance due to the energy transition as no solution on the type of fuel or engine to use has been found yet to meet decarbonisation goals,” says Jefferies transport analyst David Kerstens. “It is limiting new vessel ordering.”

The collapse in newbuilding orders has seen the orderbook fall to around 10% of the existing fleet. This compares to the 60% level it was at during the global financial crisis.

But will carriers, with their balance sheets buoyed up by strong freight rates, be tempted back to the yards in order to gain market share?

The slow, painful recovery of box shipping following the last crisis appears to be focusing minds this time around.

“We can never rule out any of the carriers placing newbuilding orders, because they always do, but I think that they are taking a more cautious approach,” Mr Kerstens said.

“In the past, carriers have always focused on market share but they have been surprised this year by how the rates have held up from controlling capacity. This could be a new way of thinking.”

Hapag-Lloyd has been in discussions with yards, but has continued to say it is not in any hurry to order the six 23,000 teu ships it is considering.

Mediterranean Shipping Co is also rumoured to be interested in another series following the delivery of its *Gülsün*-class 24,000 teu ships, and Cosco subsidiary OOCL could also place additional orders.

But none of these, even if ordered immediately, would likely be delivered before 2023, so the orderbook will remain unchanged in percentage terms for the next year or two.

“If there is no further vessel ordering we will see a shrinkage in capacity coming in 2023 and beyond,” Mr Kerstens says. “Any new ordering of capacity is likely held back by uncertainties over energy transition for the industry to become carbon neutral by 2050.

“We are likely to see a tight containership market with a low idle rate and a record low orderbook while the economy recovers.”

The idle rate, which peaked at 12% of total fleet capacity in May, has since fallen sharply as carriers bring blanked sailings back into service.

“This has now fallen to less than 3% so nearly 10% of the global fleet was redeployed over the summer,” Mr Kerstens says.

Alphaliner says the capacity of idle tonnage has fallen to 500,000 teu as factories in China ramped up production ahead of the Golden Week holidays which fall in the first week of October.

“With a rise in the number of extra loaders and resumed sailings on formerly suspended or thinned out regular services in the past weeks, demand for ships of 6,000 teu or above has been particularly high,” the analyst said.

This was having a corresponding effect on charter vessel rates, as supply tightened across most vessel sizes.

The Howe Robinson Containership Index has seen a steady rise in rates, with the latest figures showing larger vessel sizes gaining the most.

Alphaliner recorded one 5,000 teu vessel achieving \$20,000 per day for a transpacific voyage, a level not seen since 2011. While longer term rates are lower, another vessel had been chartered for 12 months for \$16,000 per day.

With demand for tonnage riding high, there is more incentive for owners to keep their vessels trading, limiting the number of containership going for demolition.

## Health crisis reveals digitalisation's uneven adoption

THE global health crisis has shone a light on the shortcomings of maritime digitalisation for both shipping and ports, according to speakers at an industry event.

“The pandemic has revealed huge differences between ports worldwide,” said Heikke Deggim, director of the Maritime Safety Division at the International Maritime Organization.

“While some ports are becoming digital hubs, others are still struggling to move off paper-based operations.”

While the opportunities of digitalisation are stated loud and clear, speakers on a webinar at the IMO-Singapore Future of Shipping warned that it is not being embraced equally.

“The real problem with digitalisation,” said Patrick Verhoeven, head of policy and strategy at the International Association of Ports and Harbors, “is getting people to trust each other.”

That view was echoed by David Foo, senior director of operations technology at MPA Singapore, who said to move digitalisation further the industry needed “a real willingness to share data.”

IMO Secretary-General Kitack Lim has called on maritime digital leaders to “leave no one behind — building back better means keeping everyone onboard”.

But the webinar revealed that adoption of digital processes is very uneven.

“Digitalisation is more than digitisation,” said Mr Foo, acknowledging that every company has different capabilities. MPA Singapore is working with the IMO and the World Bank to digitalise as many ports as possible, while leaving no port behind.

Lloyd’s List Intelligence reported only two vessels, comprising 2,000 teu, being sold for recycling in September.

According to Clarksons, recycling, which had picked up in the second quarter when demand was at its weakest, stood at 180,000 teu by the end of September, a year-on-year increase of 14%.

But that looks a difficult task given the limited number of connected port communities around the world and the vast disparity in levels of security.

Mr Verhoeven accepted there had been an increase in the number of cyber-attacks on shipping and ports since the coronavirus pandemic began.

“The main vulnerability for ports is that they are a community of companies, all with different levels of security,” he said.

One way to tackle this is to bring together port facility security officers to build higher levels of cyber awareness.

Among many benefits of digitalisation shared in the webinar, Capt Tomoyuki Koyama explained how analysis of data from one NYK Line ship showed that it was not being operated to its design deadweight.

This led to the removal of the bulbous bow which, with other design features, brought a reduction in CO2 emissions of 23% for that vessel.

Capt Koyama, senior managing executive officer at NYK, said improved levels of communication between ships and ports had driven a reduction in speed which had saved \$600m in fuel cost over a period of three years, with a smaller carbon footprint as a result.

The speakers all suggested that while digitalisation is a key element in reducing greenhouse gas emissions, there should not be an overreliance on technology.

Mr Foo warned that the convergence of information technology with operational technology was not straightforward.

“OT systems are not designed to counter cyber security threats,” he said.

Further complication has come from the momentum to autonomous technology. Dr Deggim believes work on Maritime Autonomous Surface Ships is complex.

“I believe we are being overly optimistic; we won’t have unmanned ships on the open ocean in the next

10 years,” she said. The regulatory aspects have a long way to go.

In spite of all the shortcomings, Capt Koyama said NYK was working on autonomous technology, although he confirmed this was to bring increased levels of safety rather than to reduce the number of seafarers onboard.

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## MARKETS

# Trade imbalances put pressure on equipment availability

SURGING headhaul volumes on the east-west trades are leading to a shortage of container availability in Asia, while ports in the US and Europe suffer from increasing dwell times and congestion.

Figures from Containers xChange’s Container Availability Index show the availability of 20 ft and 40 ft containers has fallen sharply since week 36.

The index for 40 ft dry containers at Qingdao fell from 0.7 to 0.35 in the five weeks to week 41. A similar pattern was seen for 20 ft boxes, which fell from 0.66 to 0.44.

Any figure above 0.5 indicates a surplus and below 0.5 indicates a shortage of equipment.

At Los Angeles, by contrast, availability of dry containers has been increasing, with the index for 40 ft dry boxes rising from 0.11 in week 35 to 0.57 at the end of September.

“Importers in Europe and the US are struggling to return empty containers to Asia, caused by the spike in imports in July and August following the reopening of their economies after weeks of lockdowns,” Containers xChange said.

“Equipment shortages across Asia and port congestion in various European and US ports increased over the last weeks.”

Carriers had responded with a variety of initiatives, it added.

Maersk has warned shippers to add more lead time to their supply chains, while Hapag-Lloyd is only releasing empty containers to shippers for a maximum of eight days prior to sailings.

This is prompting some shippers to look instead at shipper-owned containers, but this has led to a surge in the price of equipment for sale.

“On average, used standard containers manufactured between 2000 and 2005 cost \$1,744 across all Chinese ports, with peaks in the last couple of weeks,” said Containers xChange. “With increases of 115% in week 28, 90% in week 32, and 78% in week 35 compared to the average, we can see that sellers are asking for higher prices due to lower container availability in Asia.”

It warned that the problem was likely to continue beyond October and into the traditional slower season, due to strong demand in the US for e-commerce merchandise and medical supplies.

Carriers were now cutting back on additional free days of usually 20 days or more for large retailers, while keeping the free storage time of three days.

“Most people do not see container shortages in Asia disappearing anytime soon.”

Meanwhile, figures from Lloyd’s List Intelligence show the number of containership calls at Shanghai and Yangshan has returned to normal seasonal patterns for the first time since the outbreak of the pandemic.

The figures, which collate port calls by containerships, general cargo vessels with container capacity, con-ro vessels and container barges, have generally tracked below last year’s levels, except where typhoons last year led to a fall in activity.



In week 40 this year, however, there were more calls than in the corresponding week in 2019, indicating that the usual seasonal boost ahead of China's Golden Week holiday is extending longer this year.

A number of reports have indicated that the changing face of consumer demand, particularly in the US, could lead to a strong fourth quarter for container demand this year.

## IMO under pressure to bring in tougher emissions measures

REGULATORS are under renewed pressure to take ambitious greenhouse gas emissions measures amid charterer mobilisation and mounting support for a carbon levy.

The International Maritime Organization will meet virtually this month and again in November to discuss a short-term greenhouse gas measure aimed at reducing the carbon intensity of ships by at least 40% by 2030.

Collaboration and compromise among leading maritime nations suggests this could culminate in a hybrid technical and operational measure.

Still early in the implementation of its 2018 initiative GHG strategy, the IMO has also committed to consider potential market-based measures that will help achieve its decarbonisation targets. But that conversation will not happen before 2023.

As time passes, public pressure on corporations to decarbonise increases and the ensuing sustainability pledges from these corporations multiply, executives are increasingly willing — to the point of becoming demanding — about the introduction of a carbon levy on shipping fuels.

Jose Maria Larocca, co-head of oil trading at Trafigura, told a recent virtual panel discussion that more regulation was a “must” in order to close the competitive gap of the expensive alternative fuels for shipping, with regulators crucial to making policy a “quick success”.

Trafigura has proposed the IMO impose a carbon levy on shipping fuels of between \$250 and \$300 per tonne of CO<sub>2</sub> equivalent in a ‘feebate’ system that would reward those using low-carbon fuels.

Mr Larocca said that as a major charterer Trafigura was willing to pay for the costs to decarbonise maritime transport.

“The whole industry will be prepared to do it and support it the same way it happened with the IMO 2020 [sulphur] regulations,” he told the Global Maritime Forum event.

Carol Howle, BP executive vice president of trading and shipping, stressed there was no single solution or measure that can decarbonise shipping and that the process would require a basket of tools.

“But I do think a well-designed carbon price incentivises everyone from producers through to consumers and encourages investment in future fuels and technology as well,” she said during the panel.

Kristin Holth, former head of DNB's ocean business and current board member of Maersk Tankers, GasLog and Maersk Drilling, said the elevation of the carbon levy discussion was a clear signal to the IMO and other regulators that industry supports serious policy measures that will empower decarbonisation.

“Industry must drive the change. The regulators cannot be the driving force,” she said.

While Mr Larocca committed to Trafigura paying the additional fuel costs for low-carbon shipping, there are still concerns from shipowner interests and regulators around how owners can adhere to rules whose application is contingent on their charterers' behaviour, as seen mainly in vessel operational measures.

Leading charterers and cargo owners in the bulker, tanker and gas sectors have agreed to report the annual GHG emissions of their shipping activities and assess whether they are aligned with IMO decarbonisation goals through the Sea Cargo Charter.

Though the IMO is forming its own fuel consumption and emissions database consisting of ships' annual data, the charter will offer greater granularity as the signatories will report details on a vessel's performance during individual voyages, rather than just disclosing an annual aggregate or average.

UCL energy institute reader Tristan Smith said the new initiative gave charterers a common tool enabling them to diagnose what drove one

voyage to have carbon intensities relative to another.

“Was it their operational decisions? Was it the fact that they demanded utmost dispatch and 15 knots of speed? Was it that they hired a ship that had technical efficiency that was inferior to other ships in the market?” he asked during a panel discussion on the launch of the charter.

More fundamentally though and for the purposes of decarbonisation progress, Mr Smith believes that the Sea Cargo Charter should help give confidence to regulators that charterers broadly accept their responsibilities and the influence they have over the implementation of regulation imposed on shipowners.

“If it can increase confidence that we could take action, I think we can make an extraordinary step

forward. But there is still a long way to go for IMO negotiations to get to that point,” he said.

Private initiatives like this one and action by the IMO can reinforce each other, Mr Smith believes.

“But don’t expect the IMO to ever set numbers and levels which are as high as they need to be because that is a multilateral process with a lot of governments which have concerns ... that their economic development will be impacted negatively,” he said, explaining the importance of corporate action.

Ms Holth’s views echo this sentiment.

“Leaders of the industry need to have higher targets and ahead of the others. That is the way to lead. They cannot be average or minimum,” she said.

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## IN OTHER NEWS

### **Oneglobal's SSL Endeavour registers at Lloyd's**

SSL Endeavour Insurance Brokers Ltd (Cyprus) has registered at Lloyd's, making it the first marine specialist Lloyd's broker in Cyprus.

The firm, which is part of Oneglobal Broking Holdings Ltd, said that it was the fourth Cypriot Lloyd's broker overall.

The registration enables the Cyprus team to conduct open market business with Lloyd's underwriters and to place delegated underwriting authority business on behalf of approved cover holders within the Lloyd's market.

### **BW Group invests in biogas tech company**

BW Group has taken a €20m (\$23.5m) stake in a Finnish-Swiss biotechnology company that makes gas and fertiliser from agricultural and fish waste.

The operator of the world's biggest gas carrier fleet is now a major shareholder of Ductor.

Andreas Beroutsos, a senior executive who will take a seat on the company's board, said the move followed BW Group's recent investments in batteries, renewables, water treatment and other technologies.

### **Giuseppe Bottiglieri Shipping sees in new management**

NEW management has been appointed to run Giuseppe Bottiglieri Shipping, the Italian dry bulk-focused private company that began operations in 1850.

Effective this week, Alessandro Ranzoli becomes chief executive, while Adriano Bianchi has been appointed non-executive chairman.

Along with Mr Ranzoli and Mr Bianchi, Adamo Ceriani has also joined the company's board, according to an emailed statement.

**Singapore bunker sector to take measured path to digitalisation**  
SINGAPORE's bunker industry is preparing to meet the challenges

of the next decade and digitalisation is seen as a key enabler in this process, but the pace and scale of adoption still needs to gain a consensus to move ahead, an industry event heard.

Daknash Ganasen, senior director for operations and marine services at the Maritime and Port Authority of Singapore, pointed to the launch of the Industry Digital Plan for the sector as being the main digitalisation framework the sector will be built around.

The plan is essentially a roadmap that charts out digital solutions that different players can adopt.

### **NSB continues Asia push with new Singapore shipmanager**

GERMANY-based NSB Group is extending its push for expansion in Asia with opening of a new shipmanagement unit in Singapore.

The move is in line with a strategy outlined by chief executive Tim Ponath in an interview with Lloyd's List in 2017.

The company needed to transform itself from a traditional KG-based German shipmanager into an English-branded operation focused on the rapidly-growing economies of the 21st century, he argued.

**Evergreen Marine appoints new chairman**

EVERGREEN Marine, a Taiwanese container shipping company, has

appointed industry veteran Chang Yen-I, who has worked for the company for more than 30 years, as its new chairman.

He replaces Anchor Chang, who has held the role since 2013 and is believed to be younger than his successor.

The two are not thought to be related, and neither are members

of the Chang family, the owner of the group which once operated the world's largest containership fleet but which now ranks number seven by capacity.

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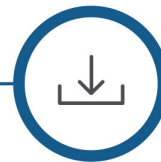
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