

GLOBAL NEWS

GLOBAL: TOTAL CHIEF HIGHLIGHTS VIABILITY OF 'BEST OPTION' MARINE LNG

'All in all, the business case [for LNG] is ok and I would recommend that any of you who invest in a new vessel look at this option,' says Jerome Leprince-Ringuet, Managing Director of Total Marine Fuels Global Solutions (TMFGS).

Speaking during a recent industry forum in London, Leprince-Ringuet said marine LNG was 'the best option because it's clean'.

He said: 'There's no sulphur, there's no particulate matter, there's a huge reduction in nitrogen oxides and on top of that – the cherry on the cake, maybe – there's up to a 20% reduction in greenhouse gases. That makes it valuable.'

Leprince-Ringuet acknowledged that while LNG goes a long way in reducing shipping's environmental footprint, for some, it does not go far enough.

'If you find a fuel that is available today, that is affordable today, that is safe today, and has so much to bring to the air quality, tell me!' he said. 'I think before 2030 or 2040 you will hardly find alternative fuels that are as good as this one.'

Leprince-Ringuet continued: 'That's our view globally at Total. We think that the following [compliant fuel] will come later, so, we have plenty of time to spend a bit of money and energy to develop this new fuel for the benefit of the population.'

Citing reports by the international Energy Agency (IEA), among others, Leprince-Ringuet estimated that LNG demand would 'be in the range of 10 million tonnes' by 2025. He then explained why demand for natural gas as a marine fuel had not grown as quickly as some had predicted.

'The business model [for marine LNG] works much better for newbuilds. You have to wait until the fleets renew,' Leprince-Ringuet said, adding, 'this is not as fast as we'd all like.'

In December 2017, Total and CMA CGM signed a marine LNG supply agreement which will see the energy major deliver around 300,000 tonnes of LNG a year over a 10-year period to the French shipping company. The fuel will be used to bunker CMA CGM's nine 22,000 TEU new containerhips scheduled for delivery in 2020.

Leprince-Ringuet conceded that while it had been 'a very bold' decision to propel the vessels with LNG, wider uptake had not been as quick as expected.

'We all thought that after [CMA CGM] a few others would follow but it has not [happened] in 2018,' he said. 'I'm sorry about it but I'm sure 2019 it's going to happen.'

Leprince-Ringuet suggested a 'spark' was required to trigger an upswing in demand, either in price or regulatory incentives. He then urged industry stakeholders in the audience to consider LNG as a marine fuel for future newbuilds.

Leprince-Ringuet said: 'All in all, the business case [for LNG] is ok and I would recommend that any of you who invest in a new vessel to look at this option. This is what all the shipowners that I know are doing now. Nowadays, when they invest in a new vessel – especially for the biggest ones – they ask the shipyard for the LNG option and to price it. Then they come to us and they ask us for a quotation for LNG...'

He also highlighted the surety of supply of natural gas on a global scale. While questions remain over the availability of both high and low sulphur residual fuel grades, Leprince-Ringuet said there are no such concerns for LNG.

'All in all, you can find liquefied natural gas everywhere, especially on the main routes and the main trades – Europe, Middle East, Asia and some [places] in the US and Central America.'

GLOBAL: Post-2020 HSFO demand 'between 10% and 20%', says Total chief

GLOBAL: Total confirms VLSFO supply locations

Ing total

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