



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

23 - 24 March 2021

FUJAIRAH  
BUNKERING  
Week 2021

In conjunction with the Fujairah Bunkering Week, 15-24 March 2021

Hosted by:



Organised by:



Supported by:



23 March 2021

S&P Global Platts

# Fujairah considers renewables, LNG as shipping industry aims to cut carbon footprint

- Author [Surabhi Sahu](#) [Claudia Carpenter](#) [Dania Saadi](#)
- Editor [Agamoni Ghosh](#)
- Commodity [Agriculture](#), [Energy](#), [Coal](#), [Electric Power](#), [LNG](#), [Natural Gas](#), [Oil](#), [Metals](#), [Petrochemicals](#), [Shipping](#)

## HIGHLIGHTS

Shippers looking at alternative fuels to cut emissions

LNG, biofuels, hydrogen, ammonia among options

UAE plans to boost hydrogen production

Singapore — The Port of Fujairah and Fujairah Oil Industry Zone are about to study what kind of role Fujairah can play in renewables, such as ammonia and hydrogen, as the UAE seeks to become a leader in clean fuels.

Storage, trading or even production are possibilities, Martijn Heijboer, the port's business development manager, said March 23 during the 12th International Fujairah Bunkering & Fuel Oil Virtual Forum, or FUJCON, 2021, organized by Conference Connection.

Fujairah is also "very much focused on LNG," and is carefully studying and evaluating opportunities there, he added. Fujairah Oil Industry Zone is the authority that manages the land used for tanks and refining in the UAE emirate, which has a strategic location outside the Strait of Hormuz.

The shipping industry is looking to curb its carbon footprint through the use of its fuels, including LNG, ammonia and biofuels, after a fairly successful transition to the International Marine Organization's global sulfur limit mandate that took effect January 2020. The UAE's Abu Dhabi National Oil Co. said March 4 it is exploring opportunities to work with South Korea's GS Energy on blue hydrogen and carrier fuel export such as blue ammonia. It didn't specify the use of carrier fuel export.

In April 2018, the IMO laid out its strategy on greenhouse gas emissions, aiming to cut the shipping industry's total GHG emissions by at least 50% from 2008 levels by 2050, and reduce CO2 emissions per transport work by at least 40% by 2030.

In November 2020, the IMO's marine environment protection committee strengthened the Energy Efficiency Design Index, or EEDI, Phase 3 requirements.

## Fuel options

In terms of a major future fuel choice worldwide to meet IMO's GHG emission cut goals, "I don't think there is one answer," as different vessel types with different designs will have different solutions, Mohamed Ali Al Ali, senior VP of ship management at ADNOC Logistics & Services, said at FUJCON 2021.

LNG will definitely have a part to play, he said.

Japan's Ministry of Economy, Trade and Industry struck the first fuel ammonia cooperation deal with ADNOC in January as Tokyo intends to develop its supply chain of blue ammonia, possibly in the Middle East by the late 2020s.

ADNOC is also partnering with Abu Dhabi sovereign wealth funds Mubadala Investment Co. and ADQ to develop a hydrogen industry in the UAE.

ADNOC currently produces around 300,000 mt/year of hydrogen for its downstream operations and plans to expand it to more than 500,000 mt/year.

A number of shipowners, big and small, have been trialing biofuels, Rahul Choudhuri, managing director, Asia, Middle East & Africa at VPS, said at the same event.

Having tried it, in terms of operational usage and fuel quality, they are fine. One needs to consider the commercial viability of such alternatives, he said.

"I think biofuel stands a chance; just like VLSFO, it is a drop-in fuel. I think LNG is already there; so it will take a portion [of the bunker fuel mix]," he said. "But I don't see a silver bullet [in terms of betting on one major fuel]."

## Biofuels cost

At the same industry event, Richard Matthews, director of consultancy and research at EA Gibson Shipbrokers Ltd., noted that biofuels seem to be very expensive.

"There'll be a large call on that in the aviation industry. So, shipping would probably be willing to pay a lower price for that compared to aviation."

It will have some role to play but it won't be the dominant solution, according to him.

"For the next 10 years, I think it's going to be LNG...I think ammonia is in vogue at the moment," he said.

Hydrogen has to be liquefied to such a low temperature that technical issues and costs associated with that will be hard to overcome, Matthews said.

"Ammonia looks to be promising if we can get supply and a reasonable supply at a good price overtime of green and blue ammonia," he added.