



## 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:



24 March 2021

S&P Global Platts

# Port of Singapore sees Asia's first ship-to-containership LNG bunkering

24th March 2021 10:45 GMT

The Port of Singapore has set the stage for Asia's first ship-to-containership LNG bunkering operation -- which was undertaken by global shipping company CMA CGM, Singapore's FuelNG and the Maritime and Port Authority of Singapore on March 24 -- paving the way for further development of LNG as a marine fuel in the world's largest bunkering port.

"The use of more sustainable fuels is an important element of the decarbonization strategy. As the shipping industry explores alternative zero-carbon fuels, LNG is a viable transitional fuel," Senior Minister of State for Transport and Foreign Affairs Chee Hong Tat said.

As part of the bunkering operation, the CMA CGM Scandola was fueled with 7,100 cu m of LNG from FuelNG Bellina, Singapore's first LNG bunkering vessel, marking the first simultaneous cargo and LNG bunkering operations for a ship in Asia, a joint statement read March 24.

The CMA CGM Scandola is the first of six new 15,000-TEU LNG-powered containerships, which CMA CGM Group has lined-up to be bunkered in Singapore this year. These ships will be deployed on CMA CGM's MEX 1 service between Asia and the Mediterranean.

It is also the first vessel in Asia to conduct simultaneous container loading and discharging operations alongside LNG bunkering operations, shortening port stay time.

Meanwhile, this is also the first ship-to-ship operation for FuelNG Bellina, the statement read.

FuelNG -- a joint venture between Keppel Offshore & Marine Ltd. and Shell Eastern Petroleum (Pte) Ltd. -- aims to provide a total of about 30 to 50 ship-to-ship LNG bunkering operations in 2021, after having performed over 300 truck-to-ship LNG bunkering operations so far, it said.

"We have a number of ships lined up for FuelNG Bellina's next bunkering operations, reflecting the strong demand for LNG bunkering in Singapore," Chris Ong, chairman of FuelNG and CEO of Keppel O&M, said in the same statement.

### **LNG BUNKERING POTENTIAL**

According to Shell's 2020 LNG outlook report, global LNG bunkering demand is estimated to grow to 30-50 million tons per annum (mtpa) by 2040.

Singapore, for its part, is actively encouraging vessels which call at its port to use cleaner fuels such as LNG, by providing them with port dues concessions, and co-funding building of LNG-fueled bunker tankers.

"Vessels using LNG as a fuel should be comparatively more robust in addressing the financial impact of any CO2 levy potentially imposed in the future," Tahir Faruqui, director FuelNG and head of Shell Downstream LNG, said in the same statement.

This comes at a time when decarbonization objectives in international shipping are gaining more traction after a fairly successful transition to the International Maritime Organization's global low sulfur mandate.

LNG enables a reduction of 99% in sulfur dioxide, 91% in particulate matter emissions and 92% in nitrogen oxide emissions. LNG also provides an initial solution to the challenge of tackling climate change. An LNG-powered vessel emits up to 20% less CO2 than conventional marine fuel-powered systems, according to the statement.

In April 2018, the IMO laid out its strategy on GHG 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.

Meanwhile, several industry sources on March 23 said separately at the 12th International Fujairah Bunkering & Fuel Oil Virtual Forum 2021, or FUJCON 2021, organized by Conference Connection that LNG will definitely play a significant role in the bunker fuel mix going forward due to its ready availability as well as an increasing LNG infrastructure at various ports worldwide.

There is also a genuine interest for LNG bunkering because of the newbuilds coming into the market as the economics of retrofitting a ship to run off LNG is much more expensive, an industry expert, said at the same event.

Also at FUJCON 2021, FGE Chairman Fereidun Fesharakai said that IMO GHG emission cut targets were supportive for LNG bunkering.

In order to achieve the 2050 target, global oil-based marine fuel demand has to peak before 2025, while LNG demand should be expanded swiftly, he said.

LNG bunkering demand for non-LNG carriers is expected to be 15 million tons by 2030 and will reach 27 million tons by 2040, reflecting continued strong growth post-2030, he said.