



LNG in the short sea shipping

BPO Perspective

**30 September 2011
DNV Gdynia, Poland**

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SG, Baltic Ports Organization**

What is BPO?

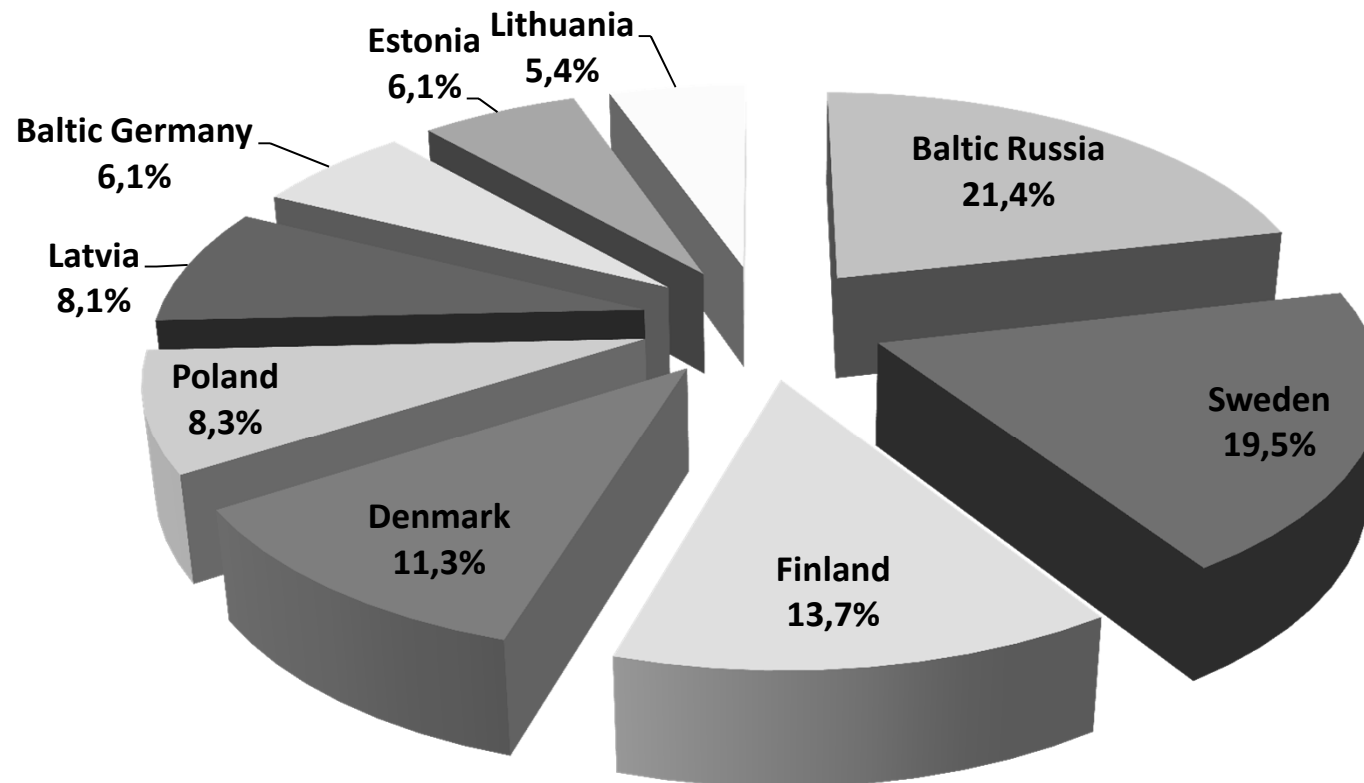


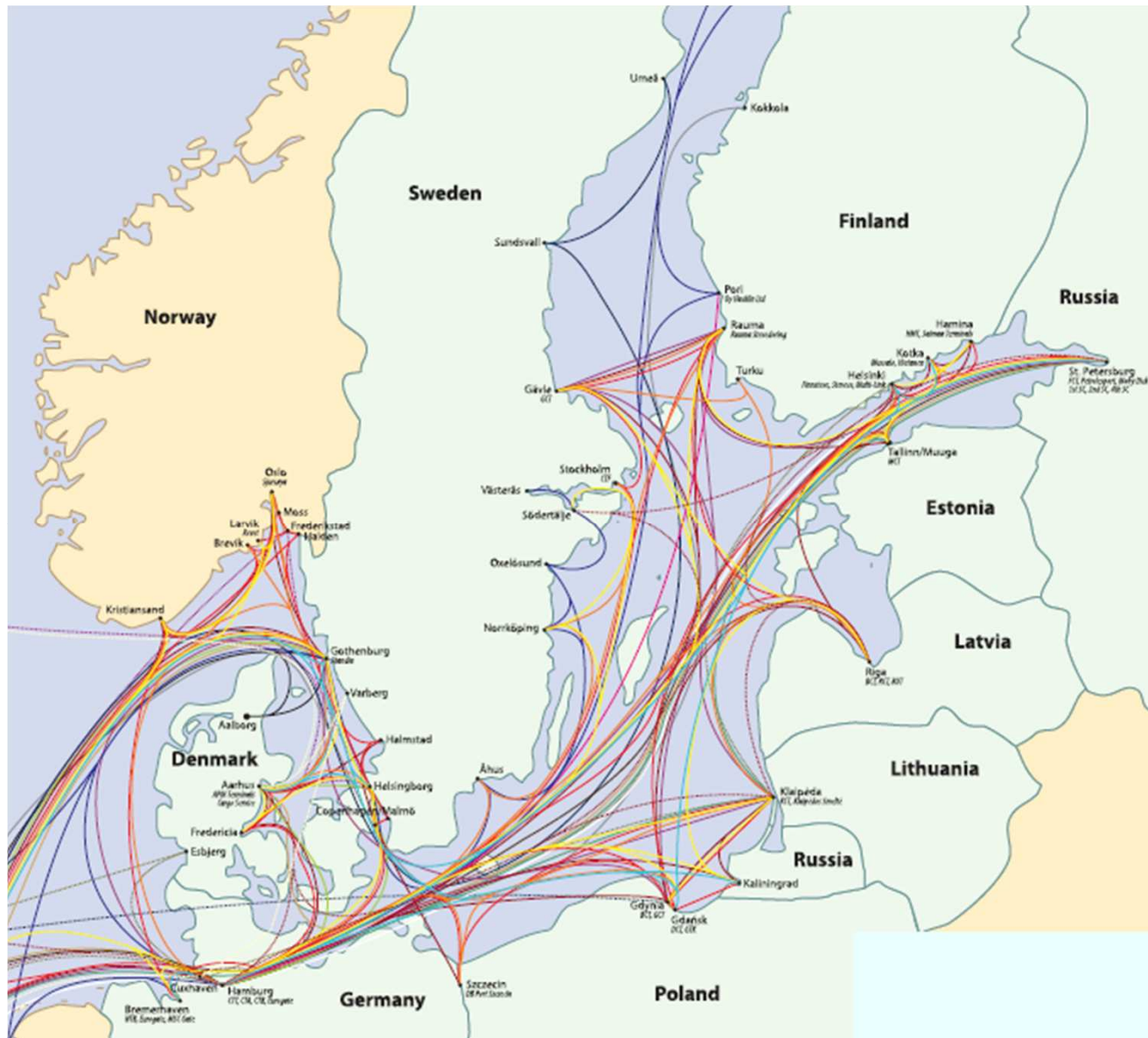
- **BPO is a business organization**
- **40 major ports in the Baltic Sea:**
 - **Different types of ports**
- **Focus on promoting sea transport in the Baltic**
- **Promoting environmental management in the ports**
- **Contributing to the sustainable development of the BSR**
- **Facilitating contacts with business partners from all around the world**
- **EU affairs**



**BALTIC PORTS
ORGANIZATION**

Structure of the Baltic seaports market (by country)





Container lines in the Baltic Sea

(Baltic Transport Journal 2010)

LNG in SSS, BPO Perspective

Table 6.2. Effects of the estimated price rise in fuel on freight charges (percentage increase on current levels).

| Freight type | Sulphur content | | |
|--------------------------------|-----------------|--------|---------|
| | 1.0 % | 0.5 % | 0.1 % |
| Container | 4–13 % | 8–18 % | 44–51 % |
| Paper reel | 3–10 % | 6–14 % | 35–40 % |
| Lorry | 3–10 % | 6–14 % | 35–41 % |
| Private car | 3–10 % | 6–14 % | 35–41 % |
| Oil | 3–8 % | 5–11 % | 28–32 % |
| Freight tonne on bulk carriers | 4–11 % | 7–15 % | 39–44 % |
| Timber | 3–10 % | 6–14 % | 35–40 % |
| Steel products | 3–10 % | 6–14 % | 35–40 % |

Source: Sulphur content in ships bunker fuel in 2015, A study on the impacts of the new IMO regulations on transportation costs, Finnish Study 2009

IMO's SOx marine fuel regulations

Expected consequences

(from BPO position paper):

- Significant cost increase of maritime transport in the Baltic Sea;**
- Modal shift from sea to land in the Baltic Sea Region;**
- Unfair competition rules in EU internal market positioning Baltic ports and shipping lines in a disadvantageous situation;**

EU competition issue



BPO view on the SSS in the Baltic *EMD, May, 2011*

BPO would welcome incentives within existing EU programmers (and possible new once) that would help Baltic maritime transport to meet the environmental challenges and stay competitive on the market (stimulate new technology, e.g. LNG infrastructure in the ports)

**Maritime Stakeholder Event:
“Clean Air at sea: promoting solutions for
sustainable and competitive shipping”,
Brussels, 1 June 2011**

LNG in particular has the potential to be an environmentally friendly and viable alternative to marine fuel oil and marine gas oil, particularly at the beginning for short sea shipping.

**By Mr Siim Kallas,
Vice-President of the European Commission**



EUROPEAN COMMISSION

Brussels, 16.9.2011
SEC(2011) 1052 final

COMMISSION STAFF WORKING PAPER

**POLLUTANT EMISSION REDUCTION FROM MARITIME TRANSPORT AND THE
SUSTAINABLE WATERBORNE TRANSPORT TOOLBOX**

Accompanying the document

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**on the review of the implementation of Directive 1999/32/EC related to the
sulphur content of certain liquid fuels and on further pollutant emission
reduction from maritime transport**

{COM(2011) 441}



BPO
BAL TIC PORTS
ORGANIZATION

The logo of the Baltic Ports Organization (BPO), consisting of the letters 'BPO' above three wavy lines representing water, and the full name 'BAL TIC PORTS ORGANIZATION' below.

EC supporting measures:

TEN-T Work Programme 2011/MoS

Implementation projects, pilot actions, and studies supporting the deployment of LNG or scrubber technologies or ...shore-side electricity are among the priority actions of the TEN-T MoS work programme.

These may include the deployment of LNG and scrubber technologies, such as LNG stations and port reception facilities aiming at collecting the sludge produced by scrubbers. LNG bunkering vessels could also be funded as pilot projects.

EC supporting measures:

Marco Polo II – Work Programme 2011

The Marco Polo Work Programme for 2011 gives priority to supporting maritime services that implement innovative technologies, which significantly reduce polluting emissions from ships.

Therefore, the use of low sulphur fuel, SOx abatement technologies, and the use of alternative fuels like LNG will be selection criteria for SSS projects under the Call for 2011.

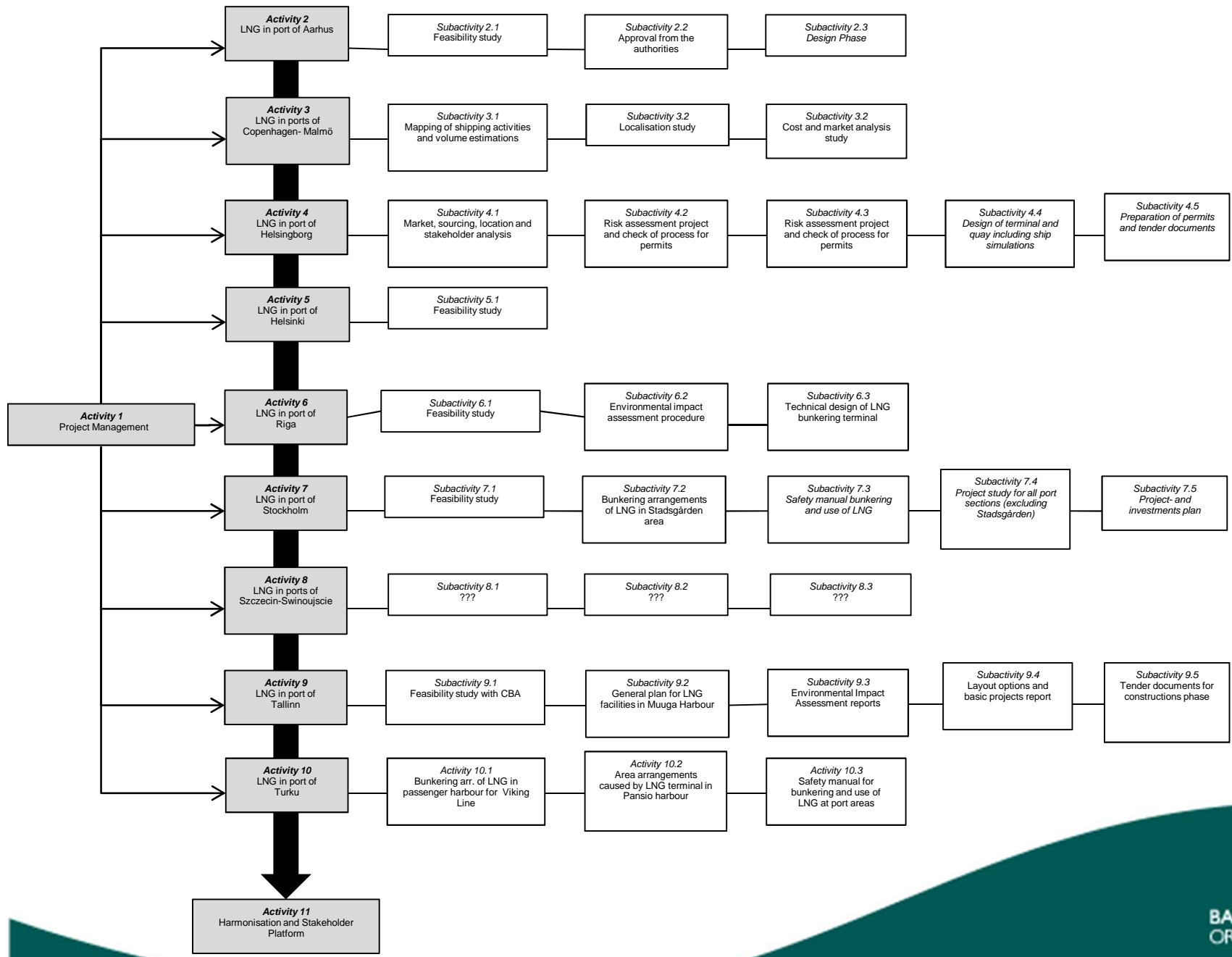
We think LNG is a future

Therefore; BPO has initiated development of LNG bunkering infrastructure in the Baltic ports

on 23 of September 2011 the project LNG in the Baltic Sea Ports was delivered to TEN-T EA for co-financing by EC within TEN-T/MoS Program 2011

LNG in the Baltic Sea Ports:

- 9 ports**
- focus on real investment**
- first phase: pre-investment studies**
- around 5 mln Euro.**



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LNG is a future

but

will not solve the problem of the competitiveness of the maritime transport in the Baltic Sea

BPO is of the opinion that a level playing field must be kept within in the European internal market and the same rules regarding ship emission should be applied for the whole of Europe.