



THE INTERNATIONAL BUNKER
INDUSTRY ASSOCIATION

PRESS RELEASE

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FOR IMMEDIATE RELEASE**

IBIA to engage in LNG issues

The International Bunker Industry Association's (IBIA) board has taken a formal decision to “become more closely engaged in LNG matters”. The move was announced at last week's IBIA's Annual Convention, held in Barcelona, by its acting chief executive Trevor Harrison. He told delegates that the association would become more involved in the ongoing discussions on LNG as a fuel at the International Maritime Organization (IMO).

The potential of LNG as a fuel for merchant ships received considerable attention. Several speakers referred to the issue while addressing industry concerns about the 2015 implementation of the 0.1% sulphur content cap in bunkers used within Emission Control Areas (ECAs). In addition one session was entirely devoted to the prospects for widespread use of LNG.

While there were some cautionary voices, the focus on LNG reflected IBIA's considered view that now is the time for the bunker industry to become involved in the development of gas powered ships. IBIA board member Nigel Draffin is to work closely with the Society of International Gas Tanker and Terminal Operators (SIGTTO) to provide input into the development of IMO's Code for Gas as Ship Fuel (IGF-Code).

The IBIA Annual Convention 2011 at Barcelona's Hotel Rey Juan Carlos I did however cover many other topics of concern to both bunker suppliers and buyers. A record breaking 170 delegates registered this year to take part in a packed programme spread out over three days.

IBIA Chairman Bob Lintott remarked: “This has been a highly successful convention. I am especially pleased that there has been lively debate from the first to the last sessions.”

While the debates were good natured, several of the issues covered were controversial, right from

the keynote speeches which put forward opposing views on the impact of the 2015 ECA regime. Manuel Carlier, director general of the Spanish Shipowners' Association (ANAVE), and a director of the European Community Shipowners' Association (ECSA), expressed owners' concerns. Arnaud Leroy, Senior Project Officer, European Maritime Safety Agency, and working with the European Commission (ECs) on the Marine Fuels, countered with the case for continuing with its proposals which in some respects exceed IMO ECA requirements.

Mr Carlier said that it was likely that bunker costs for ship operators would increase by between 70% and 100% while operating in ECAs and that there would be a total increase in operating costs 25% to 40%. He asked: "Can this cost be passed to customers in the freight market?"

Mr Leroy emphasised the need to enforce regulations and also pointed to claimed environmental and health benefits of imposing stricter sulphur limits. He also noted uncertainties surrounding the impact of the 0.1% sulphur cap. He was particularly doubtful about predictions of a modal shift away from shipping.

He said: "Overall, the various studies offer differing conclusions as to whether a modal shift is imminent, which may in part, but not entirely, be explained by the difference in routes selected for their analyses. While the Swedish, German and ECSA studies in their high price scenario mainly foresee a substantial shift from short sea shipping to land-based modes, the COMPASS study acknowledges that there will be a cost increase and a change in transport volumes, but concludes that 'it is not expected that changes in entry/exit points or shifts in modal balance (SSS to land) will take place'."

This sanguine view was certainly not shared by Interferry's executive director of EU and IMO Affairs, Johan Roos, who in a later presentation strongly challenged the suggestion that there might not be a modal shift to land-based transport once the 0.1% cap was in force. He said that ferry operators were "baffled" by the European Commission's stance. He asked: "Who cannot see that a 30% ticket price increase will not cause a modal back-shift?"

In addition to the busy schedule of presentations and debates, the convention was a highly successful networking event, with sponsored attractions including a first night reception, a gala dinner on the second night at Barcelona's stunning Arts Hotel and a farewell lunchtime wine tasting session on Friday.

Next year's IBIA Annual Convention will held in Dubai, with a provisional start date of 7 November.

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Issued by Navigate PR on behalf of IBIA.

For further details please contact Bill Lines.

Email: blines@navigatepr.com

Tel: +44 (0)20 7369 1653

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About IBIA

The International Bunker Industry Association (IBIA) exists to provide an international forum to address the concerns of all sectors of the international bunker industry; to represent the industry in discussions and negotiations with national and international policy makers, legislators and other groups and bodies; to review, clarify, improve, develop and endorse where appropriate, industry methods, practices and documentation; to increase the professional understanding and competence of all who work in the industry; to provide services and facilities for members and others as the Board shall from time to time consider appropriate.

IBIA gained consultative status with the International Maritime Organisation (IMO) in November 2005 and is represented at all relevant meetings.

IBIA actively seeks to involve its members through its Annual Convention by educating and motivating members to conclude on major issues and topics of the time, creating the "IBIA Position" to present to IMO.

IBIA champions the continued development of professionals within the bunker industry through its Bunker Courses and its Bunker Cargo Officer qualification.

IBIA
Ground Floor, Latimer House
5-7 Cumberland Place
Southampton SO15 2BH
United Kingdom

www.ibia.net