



LNG – a fast lane to make Europe a leader in clean shipping

Summary

- LNG is a well-developed alternative fuel of choice to help meet the IMO GHG and Air Quality objectives.
- From a climate perspective, using LNG as propulsion fuel today achieves meaningful CO₂ emission reductions compared to traditional fuels.
- LNG also drastically reduces air pollutant emissions and can significantly improve air quality in port and coastal areas.
- LNG has already become a fuel of choice for key shipping companies across the world.

What is the challenge?



The International Maritime Organization has set a **50% GHG emission reduction** target for 2050 in the global shipping sector.



Separately, the IMO set a limit of **0.5% sulfur (SO_x)** content in fuel oil as of 2020.

- Meeting these targets will require manufacturers to adapt hull design, speed, and propulsion, but also to switch to lower-emission fuels.
- Securing the international position of European ports will require developing strategically located bunkering facilities dispensing fuels compatible with these criteria, such as LNG¹.

¹ By comparison with the Japan case. See OECD, Fueling Maritime Shipping with LNG, Case of Japan, 2018

Why is LNG a fuel of choice?

Today

- LNG is uniquely positioned to contribute to addressing both climate and air quality objectives in the shipping sector.
- Unlike other alternative fuels, no compatibility issues are expected for LNG.
- LNG is produced and traded in all regions of the world, including Europe.

Existing European LNG Terminals



Source: Gas Infrastructure Europe

- The extensive European LNG and natural gas infrastructure together with Small Scale LNG modules and the flexibility of delivery modes (terminal, ship-to-ship, trucks, etc.) are excellent prerequisites from a security of supply perspective.

Tomorrow

- In addition to tackling methane emissions today, industry can strive to a further decarbonisation of LNG over the long-term, through blending of biomethane (bioLNG).
- LNG offers vessel operators protection against potential future restrictions on nitrogen oxide (NOx) and particulate matters (PM) emissions.
- Dual-fuel engines (Diesel & LNG) can offer flexibility to vessel operators with respect to fuel supply and economic factors.
- A well-developed LNG fueling capacity will contribute to the establishment of a 'Silk Road' or 'Green Corridor' of clean ports linking Europe to Asia to reduce shipping emissions.

What can Europe do?

- Adopt a best-performing approach giving consideration to the life-cycle GHG performance of technologies (well-to-wake).
- Build on the extensive existing European LNG terminal and natural gas infrastructure to achieve economies of scale.
- Put in place a stable regulatory system to accelerate deployment of LNG bunkering facilities.

About IOGP

The International Association of Oil & Gas Producers (IOGP) is the voice of the global upstream industry. Oil and gas continue to provide a significant proportion of the world's energy to meet growing demands for heat, light and transport.

Our Members produce 40% of the world's oil and gas. They operate in all producing regions: The Americas, Africa, Europe, the Middle East, the Caspian, Asia and Australia.

We serve industry regulators as a global partner for improving safety, environmental and social performance. We also act as a uniquely upstream forum in which our members identify and share knowledge and good practices to achieve improvements in health, safety, the environment, security and social responsibility.

Contact: Nareg Terzian, Media and EU Affairs Manager. T: +32 2 566 91 48. M: +32 470 90 59 62. E: ntz@iogp.org

Registered Office

City Tower
40 Basinghall Street
14th Floor
London EC2V 5DE
United Kingdom

T +44 (0)20 3763 9700
reception@iogp.org

Brussels Office

Bd du Souverain, 165
4th Floor
B-1160 Brussels
Belgium

T +32 (0)2 566 9150
reception@iogp.org

Houston Office

16225 Park Ten Place
Suite 500
Houston, Texas 77084
United States

T +1 (713) 338 3494
reception@iogp.org

For more information about
oil and gas issues, visit

www.iogp.org