



Digital future in focus
Pages 25 to 34



Committed family

Kristin Tidemand says group is committed to all three of its shipping arms, including owner Stove Shipping.

Page 18



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TradeWinds

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Torstein Hagen offers heartfelt response to passengers

Arctic drama raises cruise safety fears



Photo: Scanpix

The Viking Sky casualty exposes weakness in key IMO regulation.

Pages 5 and 10

BP MOUNTS LNG CHARTER HUNT

Energy major launches 'aggressive' enquiry seeking deals of up to seven years amid resurgence in period interest. **Page 16**



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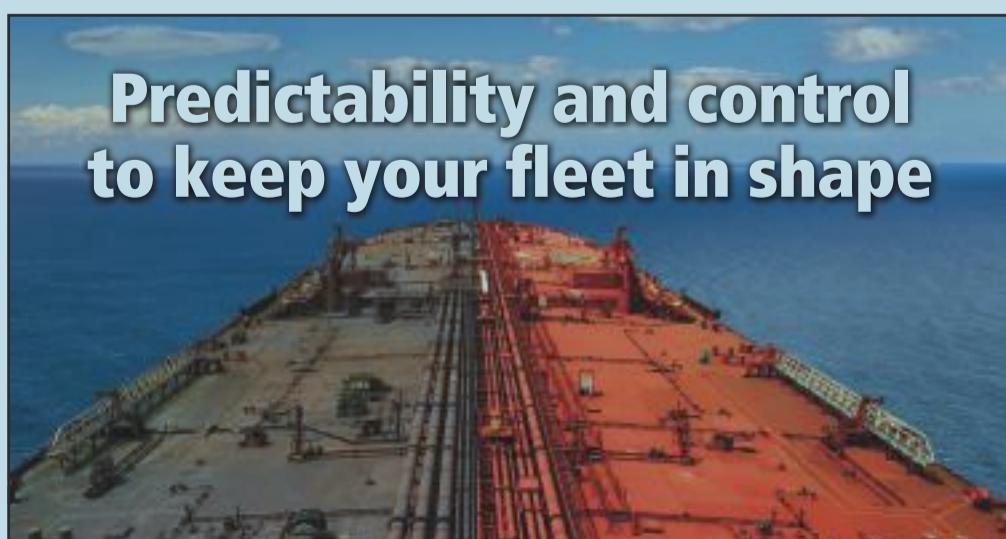
Eastern Pacific Shipping turns to China's New Times Shipbuilding for product carriers. **Page 3**

Photo: Julian Bray

Sole Shipping secures tankers from Montanari

NORWEGIAN LEASE FINANCIER LIFTS SECOND FUND'S FLEET TO 21 VESSELS THROUGH PURCHASE AND CHARTER-BACK DEALS.

PAGE 2



Predictability and control to keep your fleet in shape



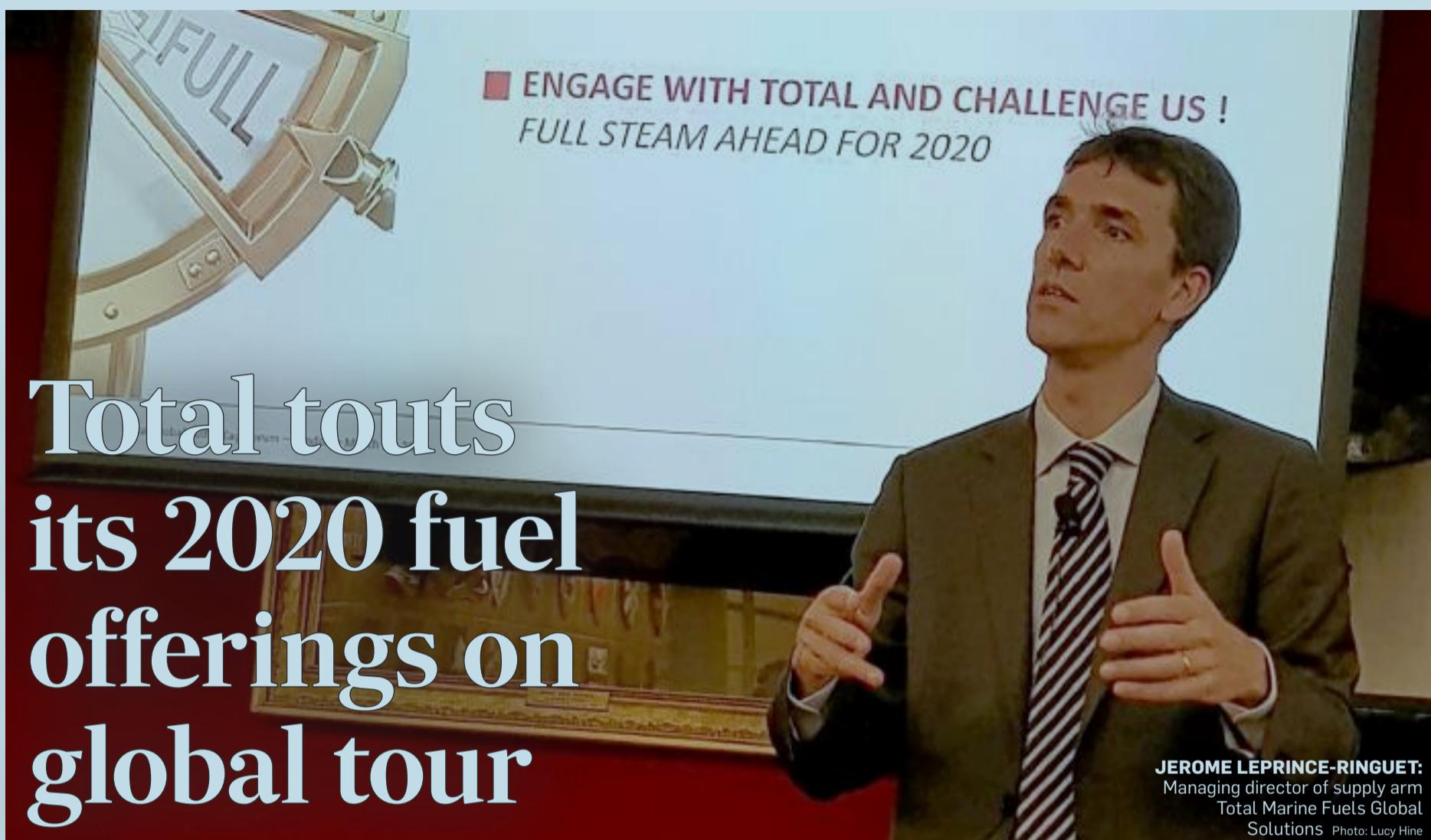
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Total touts its 2020 fuel offerings on global tour

But shipowners and operators crave pricing and specification details as concerns on compatibility rumble on

Lucy Hine
London

Total will be able to supply its existing customers and others with its new very low-sulphur fuel oil (VLSFO) in time to meet the looming IMO 2020 regulations.

But fuel viscosities will vary across batches and where they are supplied, the energy major revealed.

Jerome Leprince-Ringuet, who is the new managing director of supply arm Total Marine Fuels Global Solutions, told its London forum that the VLSFO will have lower viscosities than the widely used high-sulphur fuel oil (HSFO).

However, he said variations in this can be handled onboard by managing fuel temperatures, adding that Total will work closer with customers who do not have heating systems.

Leprince-Ringuet said the new VLSFO is more expensive to produce than HSFO, but declined to comment on price.

He said the industry is "still in a price discovery period", adding

that quotations will only emerge when there is liquidity in the market.

He acknowledged this will mean some owners might want to delay their fuel buying decisions while others may choose to move sooner in case the market is short. But he encouraged owners to have a hedging strategy to manage their margins.

"Volatility is there and it will remain," he said.

TENDERING PROCESS

Speaking to TradeWinds on the sidelines of Total's Global Sulphur Cap Forum, Leprince-Ringuet said the tendering process for the first supplies of VLSFO has recently started.

He anticipates the deliveries of the new fuel will start around September or October.

Shipowners and operators at the forum said they simply want the details of specifications and pricing of the new VLSFO.

One described the situation as "a quarter to midnight", saying they need the details now so

they can begin fleet preparations.

A Q&A session at the forum elicited questions on compatibility, viscosity and storage availability for VLSFO.

On the first two points, Leprince-Ringuet said he believed these need not be issues and that if an owner wanted to guarantee management of them, they would need to pay a premium.

"My main target is your bottom line, and I don't think you need it," he told an audience member who asked about guarantees on viscosity.

On storage, he declared himself "optimistic" but added that for some places there was a discussion to be had on how to plan the transition.

Leprince-Ringuet, who spent 15 years in Total's refining division, explained that the company has been investing in its refineries to segregate flows, allowing it to blend and produce the right product specifications.

He said Total has been conducting sea trials of its VLSFO for more than a year, with the first taking

place with a large stem on a containership loading in northern Europe for a voyage to Asia in March 2018.

Leprince-Ringuet stressed the importance of crew training and encouraged more owners to arrange trials with Total.

Leprince-Ringuet said Total will be ready to supply its new VLSFO in the locations where it currently supplies HSFO and will be ready to deliver by the end of the year.

But he added: "The story will not start on 1 January. You have to anticipate."

He said a fuel oil changeover plan needs to be put in place for each vessel.

Total Lubmarine technical director Jean-Philippe Roman also flagged up that when switching fuels, shipowners and operators will have to switch lube oils.

He said post-transition customers will be waiting for experience in operation of the new fuels and long-term monitoring of the lubricant will be needed.

"It's not an easy thing. It's about managing the transition," Leprince-Ringuet said, encouraging customers to speak to their suppliers so they can get the product they want when they need it.

Leprince-Ringuet said he believes Total is unique in selling VLSFO, HSFO — for customers with scrubber-fitted ships — and LNG out of one business unit.

He said HSFO would continue to be available in the main distribution areas. But, from 2020, Total is forecasting a big decline in overall supply to 10% to 20% of its pre-2020 levels.

In contrast, Total is bullish on LNG as an alternative to 2020 compliance, forecasting that by 2025 the volume of LNG supplied as marine bunkers will have risen to 10 million tonnes per annum, from the 0.5 mtpa supplied last year.

Total is on a 2020 world tour. London was the major's second stop after a forum in Athens.

Over the next three months, the team will travel to Rotterdam, Hamburg, Copenhagen, New York, Singapore, Hong Kong, Busan, Nice and Dubai.

NEW BOSS 'VERY POSITIVE' ABOUT FUTURE UPTAKE OF LNG FUELLING

Jerome Leprince-Ringuet, managing director of Total Marine Fuels Global Solutions, believes more companies will opt for LNG as a fuel this year, as the industry looks to IMO 2020 compliance.

"For 2019, I'm betting that there will be new ones and I'm very positive," he told TradeWinds.

Leprince-Ringuet said LNG fuelling is more applicable for newbuildings, however, orders were low in 2018. But he believes the slow pace of ordering cannot be sustained as the world's fleet needs to be renewed.

"The message is that we see

prospects in all segments now — containerships, bulk and cruise," he said. "I see most big shipping companies at least considering the LNG scenario and coming to us to evaluate it on their newbuild orders."

Leprince-Ringuet declined to comment specifically on progress for Total's project for an LNG-fuelled VLCC, except to say: "We have been considering since the beginning of our LNG bunkering story — so walk the talk. I am positive that we will do it some day. It is an ongoing project."

He pointed to French liner

GAS EXPANSION: An illustration of Total's first LNG bunker vessel being built to serve CMA CGM's ships by MOL in China
Photo: Total

"I strongly believe it [LNG fueling] will spread in all segments," he said. "There is a business case for each and if there is one business case, there are going to be others. It's as simple as that."

Leprince-Ringuet, who said Total has the second-biggest trading portfolio globally on LNG, said using LNG as bunkers is still the best fuel option for complying with the IMO's incoming low-sulphur emissions regulations.

"It just needs a spark to grow tremendously," he said, identifying a number of what the company dubs as "LNG boosters", such as cheaper LNG equipment, lower operational costs and ruling out concerns over factors such as loss of cargo space.

"I can tell you it works and will come."