



INTERTANKO

SHIPPING: ADVANCING FROM GREEN TO GREENER

**OECD WORKSHOP ON
*GREEN GROWTH ON SHIPBUILDING***

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INTERTANKO**



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International Association of Independent Tanker Owners

A non-governmental organization established in Oslo in 1970 to represent the interests of tanker operators at international, regional, national and local levels

250 Members

45 countries

3,200 tankers

250 million dwt

330 Associate Members

Spokesman – information service - meeting place

22 Secretariat

- Oslo, London, Washington, Singapore and Brussels**
- 14 Committees and 4 Regional Panels**



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GREEN GROWTH SHIPOWNERS' PERSPECTIVE

- **Tanker owners promote greener tankers**
 - **Oil/chemicals have to be safely transported**
 - **Oil/chemical cargoes demand high environmental performance**
- **Shipping's annual fuel bill up to US\$ 250 bn**
- **Represents 60% to 80% of ships' OPEX**
- **It must be a fairly persuasive argument that any industry that has such a fuel bill will not have been sitting on its hands, nor needs any further incentive to control costs and thus GHG emissions.**



GREEN GROWTH SHIPOWNER'S PERSPECTIVE

- **A myth - Charterers pays the fuel; ship owner no interest in efficiency**
- **Charterers have selection criteria and have an interest to use efficient ships**
- **Ship owners reduced fuel consumption through operational measures:**
 - trading pools
 - Virtual Arrival by OCIMF and INTERTANKO
- **Best efficiency improvement require innovative design and new technologies**



GREEN GROWTH COMMERCIAL ADVANTAGES?

- **YES, by all means**
- **Fuel efficiency = win-win for environment and ship's OPEX**
- **Better quality & cleaner fuel, more expensive but brings significant savings**
- **Retaining oil cargo's vapours (VOC) = commercial benefit**
- **VOCs - 25 times greater impact as a GHG than CO₂ = environmental benefit**



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Shipping's **GREEN** Credentials



- This car, weighing one tonne, uses 1 litre of fuel to move 20 kms



- This oil tanker uses 1 litre of fuel to move one tonne of cargo 2,500 kms
 - *more than twice as far as 20 years ago*

Shipping **GREEN** Credentials



This Toyota Prius emits
89 g CO₂/km equivalent to
118 g CO₂/t - nautical mile



This VLCC emits
2.5 g CO₂ / t - nautical mile
47 times less than Prius

Toyota Prius has a CO₂ emission level close to a coastal tanker of about 500 dwt.

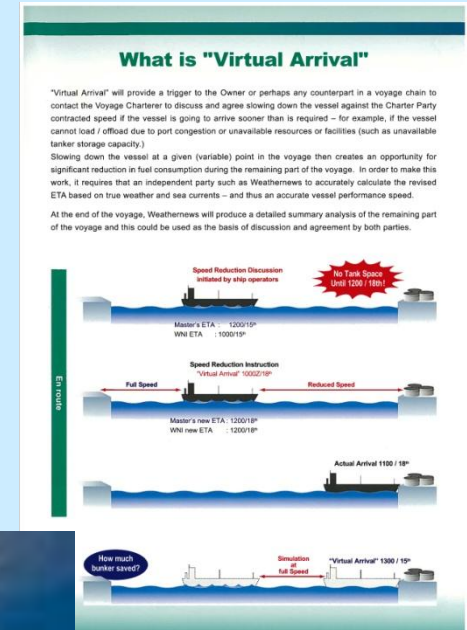


WHO IS LEADING: SHIPOWNERS OR SHIP BUILDERS?

- **Ship owners' involvement is important, but**
- **Ship designers & builders role is essential**
- **Ship owners promote innovative changes and experiment with different technologies, but**
- **Only manufacturers could raise the bar across the entire industry**
- **There is a precondition for shipping to become Greener. Ships have to be designed and equipped with systems that make them fit for such a purpose**
- **Role of Class & Tripartite Meetings (builders, owners and class) since 2002**

GREEN GROWTH BEST PRACTICES

- Virtual Arrival by OCIMF & INTERTANKO
- Tanker Energy Efficiency Management Plan (TEEMP) by INTERTANKO
- VOCON procedure by INTERTANKO
- KVOOC by an INTERTANKO Member





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GREEN GROWTH

ROLE OF REGULATIONS

- *Consistency between government expectations and industry responses?*
- Industry responds swiftly to sound regulations
- Sometimes governments' expectations might be inconsistent with safe practices and sometimes regulations may increase the fuel consumption.
- Also, the IMO standards for testing and approval of new equipment should become the norm and should be tailored to strictly check the performance of such equipment and its reliability.



GREEN GROWTH ROLE OF REGULATIONS

- *Are rules and regulations sufficient or is a strong commercial imperative needed?*
- **Regulations needed to achieve an even & fair enforcement**
- **Commercial imperatives make things move through a fast track**



GREEN GROWTH ROLE OF REGULATIONS

- *Can ranking of jobs, economic growth, commercial results and environmental protection co-exist as compatible objectives?*
- **All essential but, ahead of all should come safety of the ship and its crew**
- **Society has to admit that shipping is a service provider which transports goods as required by the society.**



GREEN GROWTH ROLE OF REGULATIONS

- *Does the “whole of life” concept offer a workable approach? Are there sufficient incentives to encourage co-operation between various actors?*
- **Need for a holistic perspective between responsibilities and expectations of each of the stakeholders involved**
- **Rules and their enforcement should be transparent, simple to understand and demand stricter control**
- **The best incentives are clear regulations and clear assignment of responsibilities**



CONCLUSIONS

- Tanker owners' core business is safe, environmentally sound and efficient transportation of oil, chemicals and gas at sea
- Tanker owners involved in a large number of new design and construction standards and practices
- Improvements require new and innovative thinking
- Significant improvements rely on designers, ship builders and equipment manufacturers
- Innovation and progress in car, truck, train and aircraft industries is triggered by manufacturers
- Ship operators have a much larger contribution to Green Growth in their industry



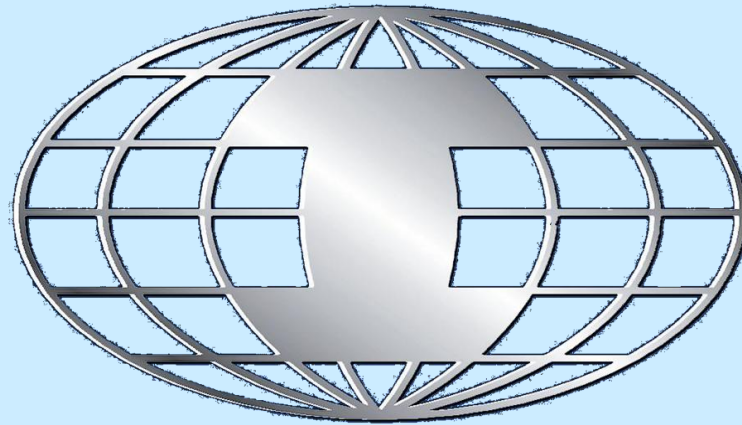
CONCLUSIONS

- **Shipping provides a service and it is the society which determines the level of transportation at sea**
- **Expectations should be challenging but realistic**
- **Standards promoted by predictable legislation**
- **Need for verifiable and certifiable processes of activities and products of all stakeholders involved**
- **INTERTANKO Members will continue to be aggressively proactive to promote best practices and best standards**
- **Any other industry partner with a similar attitude will always have support from INTERTANKO**



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THANK YOU



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