CHALLENGES IN FINANCING FOR GREENER SHIPPING

November 20th 2017
WHAT IS GREEN FINANCING?

But this financing has a specific purpose: make the world cleaner.
WHAT IS GREEN FINANCING IN SHIPPING?

● For newbuildings:
  ‣ Ships with LNG propulsion
  ‣ New technologies (hydrogen batteries, sailing ships, solar ships, etc) ?

● For existing ships: green equipments such as:
  ‣ Ballast water treatment systems
  ‣ Hull retrofiting/treatment allowing better fuel efficiency
  ‣ Less environmental harmful propulsion technology (such as LNG retrofit)
  ‣ Any other innovative solutions (kiteship…)
  ‣ Scrubbers ?
WHERE ARE WE?

- **World Fleet**
  - World Fleet equipped with scrubbers: 198 (0.33%)
  - World Fleet fitted with LNG propulsion: 107 (0.18%)

- **World Fleet Orderbook**
  - World orderbook equipped with scrubbers: 94 (3.61%)
  - World orderbook fitted with LNG propulsion: 73 (2.80%)

*excluding LNG tankers
*based on MSI data
PROBLEMS

- Fear of changing regulation
- Financial risk for shipowners
- Uncertainty on Infrastructure development
- Legal issues
- Market difficulties
SHIPPING EARNINGS IN SELECTED MARKETS

Source: MSI
POSSIBLE SOLUTIONS

● States need to provide more forward looking regulation

● States could subsidize more the development of green technologies

● States need to support the green financing on an unsecured basis

● States need to support the development of port and shipyard infrastructures

● Reduce the number of options for stakeholders?
CONCLUSION

● Transition to Greener shipping has just started and progression is slow

● 2020 deadline for low sulphur emission unlikely to be reached

● Shipowners need more financial support and regulatory visibility

● It is up too all stakeholders to play their part
THANK YOU !