

## HWG–Newsletter 05/2015

### LNG: Fuel of the future

#### Interview with Werner Repenning, director of Strategic Company Development at Niedersachsen Ports GmbH & Co. KG



**Mr. Repenning, LNG (Liquefied Natural Gas) is considered the fuel of the future. What makes it more favourable than conventional fuel?**

The tightened emission-limits for sulphur oxides in SECA zones apply from 1 January 2015. They have been reduced from 1.0 down to 0.1 percent. Now, ship-owners basically have three options: they can use the considerably more expensive Marine Gas Oil (MGO) or retrofit a so called 'scrubber', which cleans the emissions. Thus, heavy fuel can still be used. The third option is to use alternative and environmentally friendly ship propulsion. These alternatives include gas engines as well as methanol based engines.

The use of liquefied natural gas can achieve significant emission reductions of all essential air pollutants, such as sulphur oxides, nitrogen, carbon dioxides and particulate matter. Present barriers are the higher investment costs and a possible loss of cargo holding space, since LNG tanks are bigger in size because of their special isolation and cylindrical design. Nevertheless, the long-term advantages of LNG propulsion will prevail, because gas-powered ship engines can also meet the requirements of expected intensifications of emission values in the future. Beyond that, the purchase price for LNG is below the price for MGO. The American gas industry is planning to intensify the LNG production for the global market, which guarantees another decrease of the LNG price in the long run. These are substantial factors for the use of LNG in the shipping industry.

**At the end of April, an LNG workshop was held in Cuxhaven with the result that an LNG bunker station in Cuxhaven would not be profitable. However, NPorts showed great interest in creating an LNG bunker possibility. How is this interest motivated?**

We, as a port infrastructure operator, realise more and more that consumers as well as producers aim for sustainability in produced goods and demand a logistics supply chain that

is in compliance with the values of climate and environmental protection. This affects the port industry as well as the ship owners, which have to react to the shipper's demands.

Research regarding the development of freight transport shows, that cargo handling in the German ports will increase from 269 million tons in 2010 up to 468 million tons by 2030. This result is also based on the considerable growth of the shipping traffic and ship related emissions. Already next year, the allowed values for sulphur oxides will be once more reduced for new vessels, also based on the MARPOL regulations. These measures create a legal and political framework that guarantees eco-friendly and sustainable ship traffic. LNG is the answer for meeting the legal and socio-political shipping requirements. It is our aim to provide our port industries with the best conditions to act customer-friendly and solution-oriented. We therefore support this new technology emphatically. This summer, we will be operating two LNG ferries at our ports in Cuxhaven and Emden, which intensifies our interest in developing a possibility to bunker LNG cost-efficiently and independently of fuel tank trucks. A permanent bunker station in Cuxhaven does not have to be the solution. A bunker barge supplying the ports of the Lower Elbe would be a more thinkable and realisable way.

#### **Where do you see Germany as an LNG user compared to the international neighbours?**

Like every other country, Germany is only at the beginning stage of using LNG as a ship fuel. Only the Norwegians and Swedes are one step ahead, owning several LNG powered vessels. However, the Dutch are already working on infrastructures supporting LNG supply, also because 250 trucks are powered with LNG in the Netherlands. In Germany, the Lower Saxon ship owners AG Ems and Cassen Eils are pioneers in the use of LNG as a ship fuel by launching two LNG powered ferries in the next two months. The ports in Brunsbüttel, Hamburg and Bremerhaven are also planning to install a shore based LNG bunker station.

## LNG workshop by HWG receives great feedback



A conference was held by the Cuxhaven Port Association (HWG) on 28 April 2015 in Cuxhaven in cooperation with the *LNG-Initiative Northwest* and the *Maritime Kompetenzzentrum (MARIKO)*. Discussion points were the perspectives and requirements of innovative bunker concepts of LNG. Cuxhaven will see two regular services employing LNG powered

vessels, i.e. RoRo vessels for Norwegian Nor Lines and the Helgoland ferry for Cassen Eils.

Approximately 30 guests – including potential investors, gas suppliers, port authorities and other maritime and onshore customers – took part in the presentations held by Niedersachsen Ports, Cassen Eils and MARIKO. Topics were the implementation of LNG as a ship fuel, the retrofitting and new construction of further LNG powered vessels and the activities of the *LNG-Initiative Northwest*. This is the biggest network supporting the gas-powered shipping industry, counting 70 partners which jointly work on technological, legal and infrastructural conditions in order to implement LNG as ship fuel.

Jan Tellkamp, DNV GL, gave an overview of the European LNG infrastructure and Frank Schnabel, managing director of the *Schramm Group*, reported on the efforts of establishing LNG infrastructure in Brunsbüttel. Michael Kraack, *Maritime Service Hamburg*, introduced the conditions of bunkering and innovative bunker solutions like LNG Fuel Tank Container. *MARIKO* pleaded to not only consider maritime customers as LNG buyers, but also potential onshore and industrial customers.

A broad discussion about the aspects of future accessibility of LNG in Cuxhaven followed the presentations. Challenges will now be to determine the actual acceptance of LNG-fuel and to adapt and harmonise the legislation, as well as to include and inform the general public at an early stage.

“The result of the workshop is that a bunker station would be profitable if we generate a minimum purchase volume of 500 cubic meters LNG per week. The estimated average consumption of an LNG vessel per week (depending on size, voyage time, speed and other factors) amounts to 50 cubic meters. Since only a few LNG powered vessels call Cuxhaven, it is not profitable to install a bunker station at the moment. However, to maintain Cuxhaven’s strong position in the maritime market, discussions like this are essential and are received with great interest,” stated Dirk Leibfried, board member of the *Cuxhaven Port Association*.

## State Parliamentary Group of the SPD visits companies in Cuxhaven

### HWG members welcome politicians



During a non-public conference at the end of April, the State Parliamentary Group of the Lower Saxon political party *SPD* and members of the Federal State Government visited several companies in Cuxhaven. Under the headline “Economic Policy in Lower Saxony – innovation for small and medium-sized companies”, the 100 participants took part in five individual tours in order to experience the everyday

work life of various economic activities in Cuxhaven.

The Offshore Training Center, the Offshore Base Cuxhaven and AMBAU were some of the companies visited by the participants of the port tour. The participants, including Minister of Economics Olaf Lies, were informed about the chances and importance of offshore wind energy, “since it has become an important factor regarding jobs and establishing new businesses in Cuxhaven,” said Uwe Santjer, Mayor of Cuxhaven and spokesman for Ports and Shipping. On another tour, the participants visited various fishery, production and sales companies, including the Kutterfisch-Zentrale, Bioceval and Appel Feinkost. While visiting the Kutterfisch-Zentrale, State Prime Minister Stephan Weil also gained some hands-on experience (see image). After site visits focusing on integration and migration as well as training and further education, the participants were given a tourism tour to the Thalasso Center of therapeutic baths and the new beach promenade. In this regard, the politicians discussed sponsorships for important infrastructural projects in the tourism branch.

The results of the visits, including measures to support small and medium-sized companies for the qualification of employees and to enable a smoother transition between school and job training, and besides that also measures for the improvement of the touristic infrastructure of Cuxhaven, were presented at a State press conference.

The aim of this non-public conference was the appraisal of the first legislative period and the determination of challenges for the second half. “It was possible to get an outlook on the State politics, which play an essential role in economic politics,” explained Uwe Santjer. “State Prime Minister Stephan Weil and Minister of Economics Olaf Lies put the subject of economic politics at the top of their agenda. “It is clear that the future of Lower Saxony depends on its economic development. We decided to choose Cuxhaven as host for this

venue because it covers a multitude of economic areas, as we were able to witness today. Besides that, Cuxhaven offers an enormous potential in development.”

## New RoRo liner-service starts from Cuxhaven

### First departure from Cuxport terminal to Norway



The MV “Kvitbjørn”, first Nor Lines vessel in the new RoRo trade, sailed on 7 May 2015 from Cuxhaven to Norway. The new liner-service includes one departure per week, connecting Cuxhaven with various Norwegian ports. On her first voyage, the MV “Kvitbjørn”, which is fuelled with liquefied natural gas, shipped a cable reel among other things.

This new liner-service gives German and other Central European producers a shipping alternative for bringing their goods to the Norwegian market. “The favourable location of the Cuxport terminal and the existing logistics know-how in the RoRo-business have influenced our choice of port significantly,” states Sigurd Ur, director for sales & marketing at Nor Lines.

The MV “Kvitbjørn” and the MV “Kvitnos” – the second LNG powered vessel – will connect the Rhenus-Cuxport terminal in Cuxhaven once a week with ports in the Oslo-Fjord in the south of Norway, ports in Bergen, Ålesund and Trondheim as well as Hammerfest in the Arctic Circle. Handling activities at Cuxport for the new liner-service mainly focus on heavy lift and breakbulk cargo, which is shipped on mafi-trailers, and consumer goods, which can be loaded into 45’ pallet wide containers owned by Nor Lines.

During a joint tour at the trade fair ‘Breakbulk Antwerpen’, Lars Hansen, Key Account Manager at Nor Lines, and Arild Ervik, Chartering Manager at Nor Lines, draw a first positive conclusion regarding the new cooperation with Cuxport (image, from left to right: Roland Schneider, sales, marketing and logistics manager at Cuxport, Lars Hansen and Arild Ervik).

## **Cuxhaven displays various port services at the ‘transport logistic’**

### **The HWG and Seaports of Niedersachsen present themselves at a joint exhibition booth**

From 5 to 8 May 2015, many international visitors attended the ‘transport logistic’ in Munich, trade fair for logistics, mobility, IT and supply chain. The HWG and the port of Cuxhaven presented the variety of their services at the joint exhibition booth of the Lower Saxon seaports. Topics dealt with were development of the port infrastructure, settlement in the ports and an eco-friendly port management. The Port of Cuxhaven provided insights into its services for automobile logistics and RoRo transport, installation and service logistics for offshore wind farms as well as being an ideal handling site for loading wind energy parts.

Hans-Peter Zint, chairman of the HWG Cuxhaven, summed up the trade fair: “The transport logistic in Munich is one of the most important trade fairs for us. Again, we had many interesting conversations with clients, media representatives and potential business partners. Presently there are numerous economically interesting developments in Cuxhaven, which we want to present to the public.”

In the beginning of the year, HWG member Cuxport signed a contract with Siemens for logistics services of offshore converter platforms in the North Sea. HWG member AMBAU received a big order for the construction of 54 monopiles and transition pieces for the offshore project Nordsee One. During the trade fair, Cuxport announced the new Roro liner-service with Nor Lines from Cuxhaven to Norway.

The 15<sup>th</sup> annual ‘transport logistic’ had 2,040 exhibitors from 62 countries. In addition, the trade fair registered a record attendance of 55,000 visitors from 124 countries, in spite of the rail strike. The trade fair is held every two years in the exhibition centre of Munich.

## Breakbulk Europe: Cuxhaven was broadly represented in Antwerp

### HWG members present their general cargo services to a wide audience



From 19 to 20 May 2015, the HWG Cuxhaven participated in the international trade fair for break bulk cargo in Antwerp. Many HWG members were represented at the booth of Seaports of Niedersachsen, benefitting from customer dialogues and customer care.

“The general and heavy cargo business as well as the handling of project cargo is well located in Cuxhaven. It is important

for us to use international trade fair appearances in order to present the services of Cuxhaven and establish ties with business partners all over the world,” said Hans-Peter Zint, chairman of the HWG Cuxhaven.

By the end of the trade fair, the hosts expected around 7,500 visitors. More than 300 exhibiting companies use this trade fair every year, which counts among the most important meeting points regarding project and heavy cargo business. The trade fair program covers conferences, presentations, so called Masterclass-Workshops and a business run.

## HWG introduces itself: Bioceval GmbH & Co. KG

The Bioceval GmbH & Co. KG processes fresh fish products from the fish industry, aquaculture and fishery. The high quality and homogenous fish oils and meal are produced in a multi-staged manufacturing process. The fish oils and meal are used in several areas.



### Profile

Company name:	Bioceval GmbH & Co. KG
Year founded:	emerged from the fusion of long-established businesses, Bioceval started 1983 as „Vereinigte Fischmehlwerke Cuxhaven GmbH & Co. KG“ (VFC). In 2015, in the course of internalization, the company was renamed in Bioceval.
Industry:	fish by-products, animal feed
Locations:	Cuxhaven
Portfolio:	Bioceval produces homogenous fish oils and fish meal, e.g. salmon and trout meal or salmon oil for animal nutrition or ingredient for such. Special oil qualities are also used in refineries and tanneries.

## Interview with Bodo von Holten, Managing Director:



### **Question 1 – How would you describe your company?**

Bioceval is a business with tradition. We combine our experiences in processing fish products with the newest technology, strict quality inspections and increased activities in research and development. In addition, we set a high value on sustainability. We obtain our resources from fishery, farming and from fish processing companies; fish products that would remain unused.

### **Question 2 – Why are you a member of the HWG?**

The economic development of Bioceval is tightly connected to Cuxhaven. Cooperation with service providers and companies from the region and nationwide is very important for our business.

### **Question 3 – What are your personal wishes for the company?**

Development of international relationships as well as further specialisation and innovation for our production.

Further information about the company: [www.bioceval.de](http://www.bioceval.de)

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