

30 March 2011

Coastlink's April conference in Hamburg will consider trends in ship design and propulsion as the shortsea shipping industry faces the twin challenges of rising fuel costs and the financing of newbuilds

At its next conference in Hamburg (19 & 20 April), Coastlink, the independent organisation dedicated to the promotion of multimodal/shortsea container services, will incorporate a session on the trends in ship design and propulsion as the shortsea container shipping industry faces the twin challenges of rising fuel costs and the financing of newbuildings.

The emphasis will be on costs and economics rather than technical matters. Shortsea and feeder containership operators compete vigorously with road and rail transport. Any increase in the cost of transporting containers by sea could have a serious negative effect on modal shift. The European Commission's public commitment to shortsea shipping is very much under threat.

At Coastlink's 2010 conference in Antwerp, the managing director of Delphis NV, Alexander Saverys, made a plea for more research to be done into ship design. He argued that the industry needs to help itself; it couldn't just wait for external assistance to arrive. According to its chairman, David Cheslin, Coastlink has taken this very much onboard:

"In consultation with our members, we decided to hold our first 2011 conference in Hamburg, the home of so many containership owners and operators. We have structured one specific session in such a way that it will examine the various factors which will influence the future costs of ship operations in European waters."

The session will be chaired by Alexander Saverys and commence with a presentation by Ian Adams, Chief Executive of the International Bunker Industry Association. He will set the scene by outlining the difficulties in meeting the new EU emission levels, noting that shortsea shipping is already having to live with sulphur limits of 1.00% and faces a reduction to 0.10% in 2015. For those operating solely in the Baltic Sea and the North Sea, the prospect of having to run their ships on diesel fuel is very real and Mr Adams will consider the implications of this, both in terms of cost and supply.

Looking specifically at ship design, a shipbuilder and a shipbroker will describe the current shortsea container fleet and invite the audience to consider whether 'more of the same' will satisfy the market much longer. They will of course outline their own views on what they perceive the market will require. Both speakers are specialists in the containership sector: Roel van Eijle is product director of Damen Shipyards in Rotterdam while Mathias Reimann is with the Hamburg shipbroker Walther Möller & Co.

In difficult times, radical solutions are often needed and Wärtsilä's Oskar Levander, Director Concept Design, Marine Lifecycle Solutions will present his thoughts on the use of LNG to power shortsea containerships.

LNG is of course an extremely clean fuel and using it in main engines, whilst relatively new, is based on well proven technology. On the other hand, the bunker logistics needs to be developed and ship owners tend to be quite conservative. What would an LNG-powered shortsea ship look like? What is the feasibility of operating on LNG compared to the other fuel options?

Coastlink believes this presentation should also be thought provoking for those delegates attending from port authorities because if LNG fuel systems are adopted, then ports will have to provide suitable bunkering facilities.

Alexander Saverys will then reveal his own thoughts on future ship design, drawing on his experience as both an owner and an operator, Delphis having acquired Team Lines in 2006. As he says:

"The ships of tomorrow will need to offer the lowest possible slot cost while meeting strict emission limits. What are the options? Bigger ships but less frequent sailings? The use of new fuel and/or new technologies? Guaranteed berthing times? Faster handling to enable greater ship productivity? There are a number of things we can and should be considering."

Who will provide the new containerships?

Of course, there is little point in developing new containership designs if no-one will build them. Financing for newbuilds is extremely hard to come by explains Dr Johann Killinger, Managing Partner of Buss Capital and Buss Group. In the shortsea container trades, most of the vessels currently operating were built by KG partnership companies. With the collapse of the KG market, he will explain how he thinks new vessels will be funded and considers the likely implications.

Buss Capital is a leading German KG house for closed-end funds in shipping, transport logistics and real estate. It has over 25,000 investors who have helped it raise approximately € 590 million in equity and generated some € 1.7 billion in investment volume. Buss Capital belongs to Buss Group (Hamburg), a diversified service provider in worldwide logistics.

-ends-

For the diary:

19 & 20 April 2011.

Coastlink Spring 2011 Conference, Hamburg.

Venue: Hotel Atlantic Kempinski,

www.coastlink.co.uk

www.regonline.com/coastlinkhamburg

Contact:

David Cheslin on tel: +44 20 7345 5233

E-mail: davidcheslin@coastlink.co.uk.

Issued by: Dunelm PR Ltd on behalf of Coastlink.

www.dunelmpr.co.uk