

Firms invited to tap S\$12m for building LNG-fuelled ships

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THE Maritime Port Authority of Singapore has invited companies to tap S\$12 million set aside to support the construction of LNG-fuelled vessels – taking a step closer to the eventual launch of a liquefied natural gas bunkering pilot programme at the Singapore port in early 2017.

Companies incorporated in Singapore are eligible to apply for the funding that will go towards the construction of vessels flagged under the Singapore Registry or licensed for activity in the Port of Singapore for a period of at least five years.

Up to S\$2 million will be extended to each qualifying vessel, capped at two successful funding applications for each participating company.

Vessels adopting Singapore-developed technologies will be granted a higher cover of up to 70 per cent of the total qualifying costs for each vessel. Funding for other vessels will be capped at 50 per cent of the total qualifying costs for each vessel.

Design and installation of the

qualifying vessel must be done in Singapore and the newbuild must be commissioned within 18 months from the approval of the application.

MPA has also called in July for applications for LNG bunkering supplier licences that would allow the licensee to supply LNG bunkers to vessels in the Port of Singapore.

The introduction of LNG bunkering will allow the Port of Singapore to comply with a global sulphur cap that the International Maritime Organisation is looking to impose in 2020.

Besides investing in LNG-fuelled vessels, shipowners can seek to meet the global cap restricting sulphur content in marine fuel to 0.5 per cent by installing scrubbers on board or switching from heavy fuel oil to marine gas oil.

Singapore is home to the world's largest bunkering port, having chalked up over 42 million tonnes in bunker sales in 2014.

Over 50 per cent of global LNG supplies pass through the proximity of Singapore, totalling about 2,000 cargoes per year, according to Singapore-based LNG-focused player Pavilion Energy.