

ARGO NAVIS ENERGY BULLETIN

Weekly roundup on the future of energy
and shipping from Argo Navis Engineers



SHIPPING DECARBONIZATION

After a year of positional uncertainty, the container industry is now shedding light on the impact of the EU Emissions Trading System on container shipping from 2024. The result has been one that generates more questions than clarity concerning the varying surcharge values that carriers are publishing. (Source: S&P Global)

A new project, GASS, led by NAVTOR, with six other Norwegian research, innovation and industry partners, has been awarded 44 million Norwegian kroner to develop new commercial AI-enhanced technology and services to optimize the energy usage of vessels and ships. (Source: Safety4Sea)

No one in the shipping industry is considering liquid hydrogen as an alternative energy carrier for maritime freight vessels, with the very limited exception of organizations exploring shipping liquid hydrogen as an LNG replacement. Liquid hydrogen's cost would be absurd. (Source: Clean Technica)

In this week's "Shipping Number of the Week" from BIMCO, Chief Shipping Analyst, Niels Rasmussen, explores the percentage of the fleet currently prepared for using alternative fuels. (Source: Safety4Sea)

Maintaining seafarer safety and engine health continue to be vital as a variety of new marine fuels and technologies begin to arrive. (Source: Hellenic Shipping News)

At the container shipping industry's top event this year Jeremy Nixon, the CEO of Japanese liner Ocean Network Express, told attendees to expect double or triple the fuel costs per container. Based on work I've done multiple ways over the past several years, I believe that's likely optimistic. (Source: Forbes)

LEGISLATION AND INITIATIVES

Lloyd's register has issued a statutory warning to all shipowners and ship operators of ships fitted with overridable engine/shaft power limitations. (Source: MFAME)

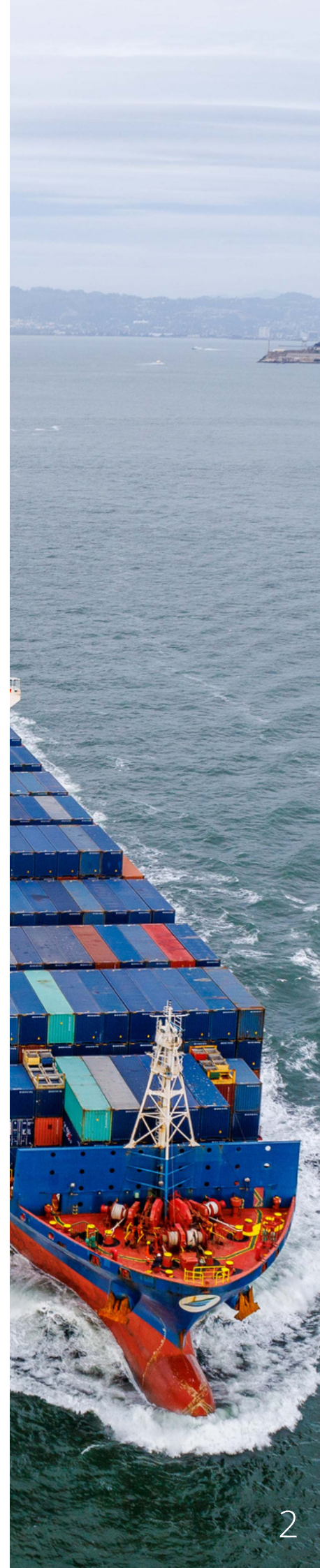
Growing partnerships which drive shipping's decarbonisation, an expanding role for the IMO, creating security for investments and striving for short-term improvements were the focus of shipping at this year's COP climate summit. (Source: Hellenic Shipping News)

The [UK] government has confirmed it "will implement a carbon border adjustment mechanism (CBAM) by 2027" in its response to a public consultation on "addressing carbon leakage risk to support decarbonisation". (Source: Institute of Export and Intl. Trade)

The publication of the Poseidon Principles 2023 annual disclosure report, featuring the transparent disclosure of the climate footprint within the ship finance portfolios, signals that the shipping finance sector is leading the way in guiding the maritime industry toward a more sustainable future. (Source: Global Maritime Forum)

The governments of Singapore and Japan have signed a memorandum of cooperation (MoC) to establish first Singapore - Japan Green and Digital Shipping Corridor (GDSC), aiming at developing standards and best practices supporting the decarbonization, digitalization and growth of the maritime industry. (Source: Offshore Energy)

Argentina, along with co-sponsors Canada, Chile, Georgia, Malaysia, Philippines, South Africa and Türkiye, has tabled 14 recommendations with the IMO's Sub-Committee on Human Element, Training and Watchkeeping (HTW), aimed at enhancing training programmes for seafarers who operate in polar waters. (Source: Safety4Sea)





A separate emissions trading system is set to emerge in the European Union for fuel for road transport and for buildings and small industrial units. Experts from Vertis Environmental Finance laid out the implications and pointed out that EU ETS 2 would be launched without any free allocations. Moreover, the upper limit of the number of certificates in circulation is expected to be lower than emissions. (Source: *Balkan Green News*)

The EU's tax is undermining trust and creating a rift with the Global South when global cooperation is most needed. It could ignite a tariff war and divert attention and energy away from urgently needed emission cuts. (Source: *South China Morning Post*)

The imminent implementation of the EU ETS has seen carriers release their final surcharge rates for Q1 24: overly optimistic Hapag-Lloyd has almost doubled its initial estimate, while Maersk has significantly reduced its early figure. (Source: *The Loadstar*)

LOOKING TOWARDS 2024

In anticipation of the New Year, 2024, we are pleased and excited to share with you this news about our continued growth and success. ARGO NAVIS adventures and its sister companies, VELA ELECTRIC, SEA CROSS, and SILVERPORT, are celebrating their 15th anniversary in 2024.

We are emerging from the era of retrofits (ballast water treatment systems & SOx scrubbers), we've entered into the decarbonization, alternative fuels and energy sources markets and we are looking forward to a 2024 that will be filled with the promise of activities, opportunities, new and ongoing projects.

The ARGO NAVIS family of businesses will enter its next phase and embark on this new journey in the following ways:

- We will continue to be active in the monitoring, analysis, and improvement services for the energy efficiency of vessels, a field in which we have realized success for the last three years.
- We will achieve our one-year milestone as a provider of S.E.R.A.P.I.S. services to our customers. Currently we provide S.E.R.A.P.I.S. services to more than 100 vessels and we have performed studies and tests for energy improvement on over 100 vessels, worldwide.

- Our Engineering teams continue to increase their focus on, and expand the scope of, their studies of new technologies and applications for energy-saving technologies. In addition to this high priority sector, the ARGO NAVIS Engineering teams are constantly running projects, such as the studies on retrofits, ballast water treatment systems, & SOx scrubbers.
- Our corporate leadership team is pleased to share with you that we will be relocating the business to a new building in 2024. In conjunction with this move, we will undertake to improve our organizational structure and internal communications and processes, and implement a plan for our Business Development function to implement a more holistic, comprehensive approach to collaborations with our partners and projects for our customers. When the move has been completed and our offices set up, we will be happy to have the opportunity to welcome you to our new home!
- The 2024 business plan includes implementing training programs and services for our customers' personnel. The current plan is to offer such activities in the use of the ballast water treatment systems which we have been supporting for the past decade.

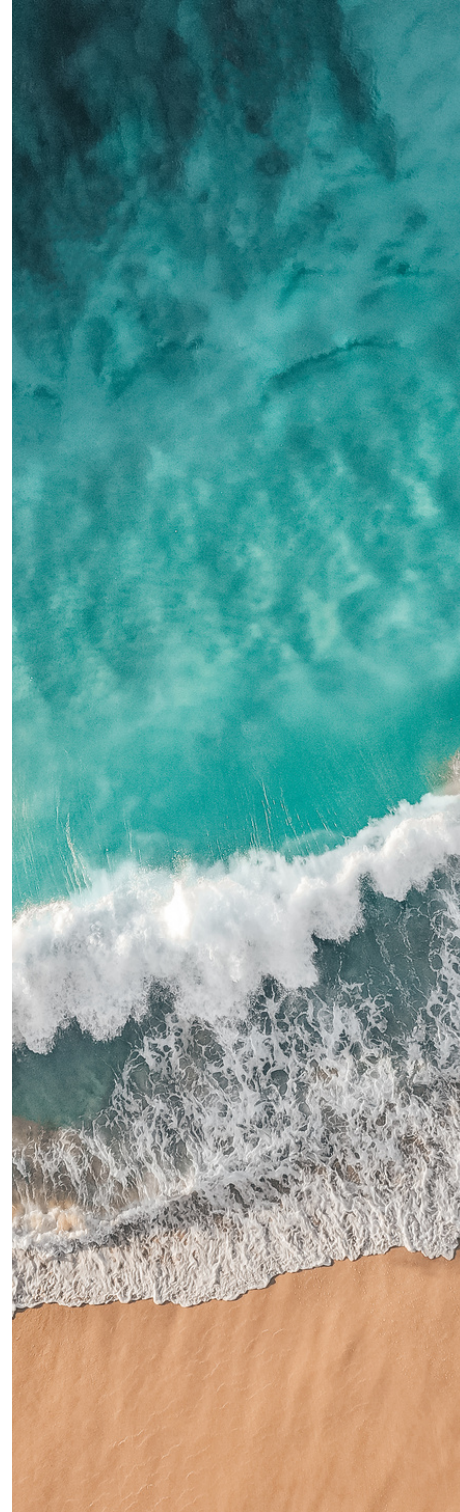


All of us wish you and your loved ones a Merry Christmas and may 2024 bring you prosperity, joy and good health!



Argo Navis Engineers
www.argonavis.gr
 tel.: +30-210-805-6220
 mail: energy@argonavis.gr

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Argo Navis Engineers are part of ENOSEAS, a community of like-minded companies offering technical and operational solutions for the shipping industry, with an emphasis on sustainability. ENOSEAS members are active in multiple locations around the world. Contact us for more details about how the ENOSEAS community can support your projects.

ENOSEAS Members are active in:

- Shipbuilding Consulting and Supervision
- Naval Architecture, Marine and Structural Engineering
- Software Applications for Shipping
- Installation, Commissioning and Servicing
- Vessel Surveying and Measurement
- Equipment Manufacturing, Assembly and Trading
- Energy Saving and GHG Reduction

