

# Press Release

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## **HGK Shipping welcomes the approval for HVO100 and calls for a sector solution to decarbonise inland waterway shipping**

**Duisburg. HGK Shipping is supporting the German government's decision to approve the alternative fuel, HVO100; it is more climate-friendly, but is currently still more expensive. At the same time, Europe's largest inland waterway shipping company believes that this provides an opportunity to press ahead with decarbonising this mode of transport in the medium term.**

European inland waterway shipping companies face high investment costs for new drive systems for vessels, at the moment. The biodiesel, HVO, is therefore coming at the right time. After all, the sector with its approximately 13,000 vessels is not large enough for the manufacturers to be able to initiate or call for appropriate developments in this field. The relatively advanced age of the fleets also rules out switching the engines, which are powered by fossil fuels, to alternative drive concepts, for example using ammonia, methanol and hydrogen, in a cost-effective way in the short term. The necessary infrastructure is also missing in these fields.

HGK Shipping believes that fuelling vessels with HVO can therefore represent a sensible interim solution for inland waterway shipping. However, the company is calling for subsidies for the increased costs of the fuel until market mechanisms have regulated the price for HVO100 to match the level of traditional diesel. By fully using this biogenic fuel and achieving the associated reductions in CO<sub>2</sub> emissions, soot particles and nitrogen oxides, this mode of transport could be almost climate-neutral by 2030, according to the market leader's prediction.

Steffen Bauer, CEO of HGK Shipping, has issued the following comments regarding the launch of the fuel across Germany. "The go-ahead provided by the government in Berlin for its use is an important incentive for mobility in Germany – and this also applies to inland waterway shipping, which is very climate-friendly anyway. That's why we're going to use HVO100 straightaway." He emphasises, "This fuel could already significantly minimise CO<sub>2</sub> emissions in comparison with traditional fossil fuels and represent a viable transitional measure during a phase when emission-free drive technologies are still in the development stage. In light of the costly research expenditure for innovative types of engines and the economically unrealistic scenario of quickly and extensively equipping older existing fleets with new ship engines, resource-efficient transport logistics will already become a reality now thanks to HVO100." Due to their long service life, inland waterway vessels, unlike most of

their ocean-going counterparts, will still be in service when further legal requirements to reduce CO<sub>2</sub> emissions come into force.

“We’re asking politicians to consider introducing a sector solution and creating the relevant incentives for this biogenic fuel to be used across the board within inland waterway shipping. Short-term tax relief, which would be necessary for as long as it takes for the price of HVO to match the costs of diesel fuel, would significantly promote the use of this interim solution. Alongside this, subsidies for research and development work in the field of fuel cell technology should be made available on a long-term and targeted basis. This would create the conditions for modernising fleets, which are already 55 years old on average, from sustainability points of view too. Inland waterway shipping could then grow with planning certainty and be assured of a good future; it could support this important mode of transport to be able to significantly reduce its CO<sub>2</sub> emissions during the next few years to benefit the planned energy revolution,” says Steffen Bauer, emphasising the necessity of this call for state support.

HGK Shipping has already purchased quotas of the biofuel to be able to exclusively operate parts of its fleet with HVO100 in future. No technical modification is necessary to use the fuel, which is obtained from non-fossil sources, even for fairly old drive systems. This therefore opens the possibility for the sector to make further use of older shipping fleets without any significant investments and still make an important contribution to decarbonising European inland waterway shipping by achieving savings of up to 90 percent in its CO<sub>2</sub> emissions.

HVO stands for Hydrotreated Vegetable Oils. The fuel is made from biogenic raw materials such as waste from the agricultural and food industries – for example, used cooking oils, vegetable and animal fats as well as organic parts of municipal waste, which are transformed into combustible hydrocarbons. The number 100 stands for 100 percent production from these oils.

#### Photos:



**Caption:** HGK Shipping’s “GAS 92” is one of the ships in the fleet which is suitable for using the HVO100 biofuel. (Copyright: HGK Shipping)

**Contact details:**

Would you like some more information? You can contact the HGK spokesperson, Christian Lorenz, on +49 221 / 390 11 90 or send an e-mail to: [lorenz@hgk.de](mailto:lorenz@hgk.de).

**About the HGK Group:**

Häfen und Güterverkehr Köln AG (HGK) is the logistics company within the City of Cologne's public utilities group. Formerly just a port operator, HGK has developed into a group that provides integrated transport and logistics services with operations across Europe. Structured in five divisions, Logistics & Intermodal, Shipping, Rail Operations, Infrastructure & Maintenance and Real Estate, the HGK Group operates the largest inland waterway port network in Germany, one of the largest private railway companies for transporting cargo, specialist logistics firms and terminals as well as its own railway network and workshops for railway goods traffic through its subsidiaries and holding companies. HGK Shipping GmbH is the largest inland waterway shipping company in Europe.

**About the HGK Shipping division:**

HGK Shipping is part of Häfen und Güterverkehr Köln AG. Its fleet comprises about 350 vessels, including owner-operated ships. The spectrum of goods transported ranges from liquid chemical products and liquefied gases to dry goods and even break-bulk cargo.