

**Minister's Address**  
**"LNG: The Meeting Point for Marine, Transport**  
**and Energy Sectors in Cyprus"**  
**29 September 2017**

Today's event fits in very well with my priorities as Minister of Transport, Communications and Works. Transport, together with energy and information are fundamental to the development and economic growth both at national and pan european level, as they mainly underpin competitiveness and help to create employment.

Given that more than 70% of the goods transported between the EU and the rest of the world is by sea, we need a top-quality shipping sector that can compete internationally, based on world-class safety records with high social and environmental standards. It has to be properly linked with other forms of transport.

While shipping is one of the most carbon-efficient forms of transport, it still produces 3% of the world's total greenhouse gas emissions 4% of total EU emissions. Higher marine fuel oil prices have made way to development of newer technologies based on fuels that are cost effective, efficient, safe and friendly to the environment. This is also true for other modes of transport where the shift to alternative fuels has already began. EU policy aiming at the reduction of emissions from shipping and looking for alternative energy sources is already in place through the Directives on sulphur content in marine fuels and on the deployment of alternative fuels infrastructure. LNG is a potential solution for meeting the environmental requirement as its cleaner burning meets all current and future emission standards and is the only alternative fuel which is believed to drive the future. Meeting sea vessels electrical supply demands through renewable energy sources while at berth will also contribute to the reduction of emissions.

However, market uptake of LNG has unique challenges. If there are no bunkering facilities, there is no investment in LNG-powered ships. Likewise, if no ships require LNG as their fuel, there is no incentive to establish LNG fueling. This is where financial instruments such as the ones provided by the Connecting Europe Facility could help turn constraints into opportunities, by allowing this deadlock to be resolved.

Ladies and gentlemen:

I cannot stress enough how vital ports are for islands such as Cyprus. They are the entry and exit points for all trade and the primary connections between the EU

countries and the island's transportation network. If ports do not perform well, if shipping does not meet the requirements, if the use of LNG in the transport sector is limited, a negative impact on the supply chain and especially the environment is imminent.

It is clear that for Cyprus to meet these requirements, but also to be established in these emerging fields it needs to form a clear long term plan as to how to exploit LNG for its transport needs based on a number of identified strategic issues:

- Improve Port Infrastructure and provide support for LNG shipping at the core and comprehensive TEN-T ports, so that it becomes a part of the LNG trade network. In this aspect, exploiting the Motorways of the Sea dimension could play a vital role.
- Investigate the most effective way to establish LNG bunkering at ports to fuel vessels using LNG as fuel.
- Moving towards short side electricity for the transport sector, including support to the shipping sector.
- Establish a comprehensive LNG distribution network in the hinterland to supply road transport and industry needs. Introducing NG in the road transport sector is a very complex exercise that requires the collaboration of a number of stakeholders.
- Form the necessary collaborations with other EU member states and possibly third countries to ascertain their LNG demands are met and that peaks in demands are smoothed out. Also Cyprus needs to investigate how to become involved in the LNG secondary market.
- Gather information, knowledge, expertise and best practices on the available and emerging alternative technologies on how to optimally achieve these strategic objectives.

I would like to congratulate our partners in the CYnergy, the Poseidon Med and the ELEMED Projects for the work they are undertaking in these fields and stress that their initiatives is evidence that we are making progress towards our strategic goals.

Declaring officially the opening of the Conference, I wish every success in today's proceedings and to all our European delegates, a pleasant stay in Cyprus.