



Philippe Holthof

# Grimaldi Group – Ro-Pax Newbuildings and Best Results Ever

Naples-based Grimaldi Group, a world leading Ro-Pax and Ro-Ro Operator, achieved the best result in its history for the year 2023, building on the results from 2022. The family-owned company is in the process of preparing its next major new ship orders.

New Ro-Pax ships are planned for the Mediterranean and for the Baltic Sea and the special feature of the newbuildings will be the propulsion system: Grimaldi is concentrating on methanol for the emission-free operation of its new passenger ships. The group has ordered 17 Pure Car & Truck Carrier newbuildings with ammonia-ready propulsion in China over the past two years. The shipping company is in a strong position and is looking at expanding more into the growing Asian market. With the new Ro-Pax ships and its entire newbuilding program, the Grimaldi Group is also a leader in the ferry and



Dr. Emanuele Grimaldi together with J.P. Eckmann

JPE

Ro-Ro shipping industry for the introduction of emission-free ship operations. Dr. Emanuele Grimaldi is proud of the operation of the 12 Grimaldi Green 5th Generation (GG5G) class Ro-Ro vessels, which will be joined by two more by the beginning of 2025. The ships offer more than a 50% reduction in carbon intensity compared with previous generation Ro-Ro vessels. Finnlines' new superstar ferries "Finncanopus" and "Finnsirius" are also an example of optimized ship operation with lower emissions and a much larger capacity.

RoPax met Dr. Emanuele Grimaldi, Managing Director of the Grimaldi Group and Chairman of ICS (International Chamber of Shipping), in Naples and spoke with him about the next developments.

**RoPax: Dr. Grimaldi how was the year 2023 for the Grimaldi Group?**

Emanuele Grimaldi: It was the best year ever in the history of the Group!

**RoPax: Again? In our previous interviews over the last few years, you have always said it was the best year, and I have the feeling that your company's results are increasing more and more. Congratulations!**

Emanuele Grimaldi: The best performing company in the Group was Grimaldi Euromed, followed by Grimaldi Deep Sea. Minoan Lines improved and we saw a small improvement also in Trasmed; Finnlines' performance is still positive but not as good as in the past, as the company suffered a lot from the ongoing geopolitical crisis.

The war in Ukraine has had a big impact on the economies of the most industrialised countries of Europe, including Germany. Here in the south, the economies of Italy, Greece and Spain have suffered less and are relatively better positioned today.

**RoPax: Are your vessels crossing the Red Sea?**

Emanuele Grimaldi: The presence of the Italian navy in the region helps us keep our schedules and deliver goods on time. But we pay a lot more in terms of insurance for our vessels in this area.

**RoPax: How do you see the ETS system? For Finnlines' route between mainland Finland and Aland you don't have to pay ETS. Isn't this unfair for people travelling to and from Europe's large islands, for example in Italy or Spain, where the system is applied?**

Emanuele Grimaldi: Everybody who is sailing to islands with less than 200,000 inhabitants is exempted from ETS. For example, no exemption exists for islands such as Mallorca, Sicily or Sardinia.

What is absurd is that we, maritime operators, are paying for the ETS despite competing with road transport, which produces more GHG emissions than sea transport.

**RoPax: What is your position as Chairman of ICS (International Chamber of Shipping) representing 80% of the world merchant fleet? Is ETS an unfair tax which will jeopardise the development of shipping in Europe?**

Emanuele Grimaldi: Let me be clear on this issue: being a regional measure, the EU ETS will only cover about 7.5% of the world's shipping GHG emissions, the latter having a tiny share of 2% of global emissions caused by human activities: at the end of the day, this means addressing a negligible 0.15% portion of all GHG emissions produced globally.

Instead, at ICS, we asked to reach the net zero emission target – one year in advance before the IMO did – and we proposed a global measure to achieve it.

Our suggestion is the “Fund and Reward” system. The fund would be obtained by taxing, for example with USD 50.00, each tonne of fuel consumed. With a total of 250 million tonnes of fuel consumed yearly, this is equivalent to about USD 10 billion. Half of this amount would go to the developing countries which are the main victims of the ongoing climate change, and which could produce green fuels. The remaining half of the money could be given to the pioneering shipowners who use modern carbon-neutral fuels.

For example, traditional fuels cost about USD 500.00/tonne, while the price of new fuels is USD 1,000/tonne. 80% of this extra cost could be reimbursed to those shipowners who use hydrogen, methanol, or ammonia. I think the cost of these new fuels will fall by economy of scale. But if the cost doesn't decrease, you need an increase in state funds of 55%-100%. It would be good to give the money to the producers of the new fuels to produce more competitive and cleaner fuels. If you start to take the methanol from gas it is not fossil free. If you do it from garbage, it is good.

“ETS - Carbon emission is a global issue and should be addressed globally.”

**RoPax: Could you produce this fuel from wood and forestry?**

Emanuele Grimaldi: Only from used timber, not from the forest. Probably we can even do it from the collection of



Europort

emissions. Even from carbon capture you can produce these fuels. The renewables can produce hydrogen. Here I refer to carbon capture not on the vessels, I mean shore production in refineries.

You can buy the certificates of carbon capture and use them together with the normal fuel: if you buy more carbon capture and you use good fuel, then you will become “carbon negative”.

Today there are technologies available ashore to capture carbon which are much more effective than using all the systems on board ship.

**RoPax: Last year you indicated your plans for a responsible and pragmatic solution, are you continuing with this?**

Emanuele Grimaldi: We discussed this regarding the EU-ETS: a responsible and pragmatic solution is the “Fund and Reward” system. Firstly, funds should be collected to be spent on environmental projects on a global scale. One such project is the production of new green fuels. Secondly, and this is very important, you should reward the early backers of these fuels for bearing the cost of operating emission free technologies.

As a shipping company, we think that Europe has made a big mistake in introducing the EU-ETS. With regards to the port industry, if there is a convenient non-European feeder port, which is therefore exempted from the payment of ETS, ships and cargo will clearly go there. This is why we say that greenhouse gas emissions are a global issue and should be addressed globally.

**RoPax: What do you think about the upcoming systems from all scrubber manufacturers to capture carbon on board by 30 or 40%?**

Emanuele Grimaldi: Some experts say this carbon is totally harmless and can be used in many ways. For example, it is very useful for insulation in houses.

**RoPax: A company is selling the captured carbon as a fertilizer for plantations but then the carbon is not completely captured because it will go back into the atmosphere again via the plants.**

“We will use ammonia on Ro-Ro ships and methanol on Passenger Ferries”

Emanuele Grimaldi: Fertilizers today are produced by using 250 million tonnes of ammonia. The problem is how you produce this ammonia. One way is via the Haber-Bosch system, which is very polluting. In the future it should be produced by green energy like solar panels and wind. If you use this energy to produce green ammonia, thus combining renewable energy, then you have a nice type of fuel.

**RoPax: Ammonia is a little bit toxic in its use and handling.**

Emanuele Grimaldi: This is why we considered in the early years to use ammonia only on Ro-Ro ships and methanol on passenger ships. That is our strategy for the coming years.

**RoPax: How will the classification society Rina certify the safety of the new vessels?**

Emanuele Grimaldi: The first thing is that the ventilation system of the engine room must be totally isolated, and the machin-





Naantali Port

ery spaces must be operated remotely. People will be sitting on the bridge like on highspeed craft. With no ventilation you will have no contamination. We believe ammonia is the best hydrogen carrier which can be produced with less energy and stored under pressure at ambient temperature and not at cryogenic temperature.

**RoPax: Your newly ordered ammonia-ready PCTC vessels will come into service in the next few years.**

Emanuele Grimaldi: These PCTCs will be a success. However, it is not good that people feel that ammonia is not available today. We are already working on the transformation of the shipping industry. Ports and shipowners must work on it as well, while engine manufacturers must offer new engine types and retrofit the existing ones. Today it is not wishful thinking, it is possible, and we are doing it, but the world is not ready. Any delay in progress has nothing to do with the shipowners.

**RoPax: Now you must pay ETS as from this year, but ammonia is not yet ready for use as a fuel, how is your position with regards to this unfair situation?**

Emanuele Grimaldi: ETS risks both making Europe less competitive and provoking a modal backshift from sea to road. The EU should start taxing road transport, the most polluting mode, rather than a less polluting alternative. Otherwise, the risk is to bring trucks from the sea back to the road. This is extremely dangerous.

Secondly, motorways of the sea connecting islands of over 200.000 inhabitants will be subject to ETS. This will put these islands in a very difficult situation because they are already located in peripheral areas, they have extra costs for the import and export of goods. Some of these islands' maritime connections are publicly subsidi-

disied: it is a nonsense that operators who get subsidies for providing such services must pay ETS-related costs back to the State.

Then, there is also a legal issue: are we sure that we can impose a European tax outside our waters and our sphere of economy? When a vessel is crossing the Red Sea it must pay. Why do we want the money of a vessel navigating outside of Europe, probably polluting Arab and African countries? Why should we enforce an EU regulation when our ships pollute elsewhere, outside Europe, in another jurisdiction? We are saying to the Chinese companies when they are passing that we want their money. How easy is it for this traffic to go to a non-European port and avoid our ports? Let's not forget that through the EU ETS we are addressing only 7.5% of the world's shipping GHG emissions...

Why are we so in a hurry as Europeans instead of addressing the issue globally? The global solution is via the IMO, and there we have a very good Secretary General who is working on this issue. The IMO has agreed to reach the 2050 zero emissions



Grimaldi Group

target. We are fighting against other systems considering the IMO has already introduced a special fuel standard. We will have better fuels. We will have 5% of bio-fuels in use soon, and this percentage will increase.

**RoPax: Are you talking to Brussels about adjusting this system?**

Emanuele Grimaldi: Yes, we are in contact. As ICS, we hope to convince the EU to review their position. But we know that ECSA and many national associations are in the front line to achieve such a result.

**RoPax: Congratulations, in April you opened your new service between Swinoujście and Malmö. I think you have fought for a long time to get permission for this. Do you see a change in Poland with the new government?**

Emanuele Grimaldi: We hope so. Anyway, we have finally started our operations between Poland and Sweden, and this has improved the competition.

“Poland – Sweden  
is operating.”

**RoPax: Do you also see a change of cargo volumes on the east corridor route via Poland to the North?**

Emanuele Grimaldi: Now that our new service has finally started operating, we keep seeing a high potential in this traffic.

RoPax: Let's have a look at the Irish Sea. Are you still successful with your line between Zeebrugge and Rosslare and how do you see the market development there?

Emanuele Grimaldi: To be honest, I am a little bit disappointed with the fact that a lot of trade between Europe and Ireland is still transiting through the UK before entering European countries. It is like



Brexit did not happen. We expected that Irish cargo would move without passing through the UK. This is not the case. In fact, 65-70% of the cargo to and from Ireland is still passing through the UK.

Ireland is considered as a small region of the UK market. It is not going as we had expected. Currently, 20 ships are operating between the UK and Ireland and only 7-8 ships are operating directly between Ireland and the European mainland. This is the reality.

Although we are satisfied with the results of our Zeebrugge-Rosslare service, we expected the European business to grow more. We did not expect that important cargo volumes would keep transiting via the UK. Why should cargo from France or Italy go to Ireland via the UK? The fact is that distributors to Ireland are mostly located in the UK and will distribute from there to Ireland. I cannot understand why, unfortunately, the logistics are not changing.

**RoPax: Do you have any interest in operating between Ireland and the UK?**

Emanuele Grimaldi: We will see what happens. We are satisfied with our operation between Rosslare and Zeebrugge for now.

**RoPax: Congratulations to your two new Ro-Pax vessel “Finnsirius” and “Finncanopus” that were built for Finnlines. They represent a very high standard. Are you satisfied with the result?**

Emanuele Grimaldi: Yes, you couldn't believe how good these Chinese-build vessels are. The Chinese shipyards changed a lot of mock-ups to raise the quality standards. I was there at the yard, and I could not believe how they produced this quality.

“With ‘Finnsirius’ and ‘Finncanopus’ we got two very good vessels and very good quality.”

**RoPax: I think you had a good construction supervision, especially for the passenger facilities. We had a talk with Mrs Kristiina Uppala, she explained to us the special designs in the cabins and your wonderful “Stella Lounge” where you submitted your design suggestions.**

Emanuele Grimaldi: Yes, she made a fantastic job and stayed over one year in China, where she worked very hard. She came from the cruise business, that is why we engaged her to raise the standard on our vessels. She had a list of 1,000 remarks



for the yard for repairs and revisions. We got two very good vessels that offer very good quality.

**RoPax: I saw your wonderful “Stella lounge” on the top deck: it is a wonderful place to sit, to work and to relax with a great outlook.**

Emanuele Grimaldi: That was the idea: to have a comfortable place for both relaxation and business.

**RoPax: Do you see more passengers onboard?**

Emanuele Grimaldi: We are carrying 50-60% more passengers onboard, but our targets are even more ambitious. I hope that during the high season we will get more passengers on board. Competition is fierce but we have the right vessels to succeed. Our ships are the best; in addition, they consume less fuel and produce less emissions than the older Star-class vessels they replaced on the service.

**RoPax: Will we see an order this year for new Ro-Pax vessels for the Travemünde to Helsinki service? Will we see such a wonderful concept like the Superstar**

**Class ferries “Finnsirius and “Finncanopus?”**

Emanuele Grimaldi: Yes, we will present this in the next weeks. We will see vessels which are faster, to keep up with an improved service schedule. They will have the right propulsion, the right power, and they will cut emissions by using methanol or biofuel. They will have capacity for 1,000 passengers and over 5,000 lane metres of rolling cargo.

But, we are also in the final stages of the development of new Ro-Pax vessels for Minoan Lines and Grimaldi Lines, to be deployed in the Mediterranean. We will present a brand-new design and a high standard. Two ships will be delivered for the Piraeus-Heraklion route and four to the Italian domestic ferry services.

**RoPax: You will also get two more Ro-Ro vessels of your wonderful GG5G class.**

Emanuele Grimaldi: The next two GG5G Ro-Ro units will be called “Eco Salerno” and “Eco Napoli” and will be delivered by the beginning of next year.

**RoPax: If we look at Spain, have you sold a vessel to Balearia?**



Grimaldi Group

**Emanuele Grimaldi:** We are trying to improve every time. We sold the oldest vessels of Tramed's fleet and replaced them with younger ships that had better passenger accommodation and more capacity. We take everything step by step. Generally speaking, we sell our oldest vessels and keep the best examples for our fleets. So far, we have sold the "Cruise Smeralda", "Finnkraft", "Finnhawk" and "Eurocargo Sicilia". We have also chartered out the "Santorini Palace" for five years.

**RoPax: How do you see the situation around the Balearic Islands?**

**Emanuele Grimaldi:** So far this year we have gained market shares. We hope to continue growing there. There is still one operator too many.

**RoPax: How do you see the Moroccan market?**

**Emanuele Grimaldi:** There are too many companies active in Morocco. Today the traffic volumes from France and Italy are not attractive enough. We stopped our service from Italy and Spain to Tangier during Covid. We will see how the market develops, and then decide if it is worth resuming our service.

**RoPax: Did you increase your connections to Turkey as we spoke about last year?**

**Emanuele Grimaldi:** Almost all commercial vehicles from Stellantis are coming from Turkey, and also Ford, Volkswagen and Mercedes have production sites there. We transport their vehicles to the rest of Europe from there. The business is running well and better.

**RoPax: Are you transporting volumes of this booming electric car production from China to Europe?**

**Emanuele Grimaldi:** Yes, we already have a few vessels serving this traffic and we are

building 17 new car carriers to further expand our business in Asia. Our newly built G5 multipurpose vessels are performing very well, too: they have the same capacity for rolling freight as the previous generation vessels, but they can carry an additional 1,000 containers.

**RoPax: How is the situation with your services to Sardinia? Are you still the leader there?**

**Emanuele Grimaldi:** Yes, we are the leaders in both Ro-Ro and passenger sectors. Notably, we have the same passenger volumes as the competition while operating fewer routes.

**RoPax: What is going on with your terminal in Livorno which you recently took over?**

**Emanuele Grimaldi:** It is the biggest container terminal in Livorno and one of the biggest in Italy, and the deal is completed. We operate our Ro-Ro services from this terminal, and we are committed to improve all of its services.

"High Potential – Brindisi  
to Igoumenitsa is the  
shortest route between  
Greece and Italy."

**RoPax: Will you take over more ports or terminals after Livorno?**

**Emanuele Grimaldi:** We have made other recent terminal acquisitions in Ravenna, Civitavecchia and Barcelona, and have become the majority stakeholders in the Ports of Heraklion and Igoumenitsa. We are now planning to take over a terminal in Genoa where our vessels operate.

**RoPax: On the line between Brindisi and Igoumenitsa you have changed the fleet. How is the service performing?**

**Emanuele Grimaldi:** We have two wonderful Ro-Pax vessels there now. We have the "Europalink" with a great capacity for cargo and the "Kydon Palace" which is more passenger oriented. The "Kydon Palace" is sailing at night from Italy and covers the distance between Brindisi and Igoumenitsa in 10 hours. We are doing very well as it is the shortest route between Greece and Italy and allows us to operate at a slower speed of 16 knots while our competitors are operating at 27 knots, serving Ancona from both Patras and Igoumenitsa. We stopped these fast operations as they are very polluting and cost intensive.

**RoPax: Do you see in the future more on this short connection between Brindisi and Igoumenitsa?**

**Emanuele Grimaldi:** We expect more traffic on this route, and this is why we may deploy two Star-class vessels here.

**RoPax: In Barcelona you got more space for your terminal.**

**Emanuele Grimaldi:** We acquired the concession of Terminal Ferry Barcelona, where we were already operating with the ships of our subsidiary Tramed GLE. These areas are in addition to those already occupied by Grimaldi Terminal Barcelona, so now we have more space for our operations. In Spain, we also manage terminal areas and facilities in Valencia. Our terminals in both Barcelona and Valencia are very busy.

**RoPax: One question about propulsion: what about nuclear systems for vessels?**

**Emanuele Grimaldi:** They say ships can do very well with such systems. Nuclear fission is being evaluated, we would need very little of this energy, and it would be very safe. We know there is a lot of development of Small Modular Reactors (SMR). With such 4th generation SMR you will have a very long lifespan, which could be used for the future generation of propulsion. With only a one-time "bunker," this new industry could rule the waves.

**RoPax: You got the Chinese Shipowners Association into ICS, congratulations! What is happening with Brazil?**

**Emanuele Grimaldi:** Yes, we got them in, and we are in contact with the Brazilian Shipowners' Association plus those of other countries to get them in as well. The ultimate goal is to have all the shipowners of the world represented by the association.

**RoPax. Thank you very much for the conversation.**