

SIEWCast Season 3: Episode 1

Interview with Leong Wei Hung, CEO, SLNG



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Season 3 | Episode 01

Leong Wei Hung

Chief Executive Officer
Singapore LNG Corporation Pte Ltd (SLNG)



Michelle Martin (Money FM 89.3) 00:00

This SIEWCast Series is brought to you by Singapore International Energy week and Money FM 89.3. The Singapore International Energy week, or SIEW, is an annual platform for energy professionals, policymakers and commentators to share best practices and solutions within the global energy space. Welcome to the SIEWCast, I'm Michelle Martin. My guest today is Mr. Leong Wei Hung, CEO of Singapore LNG Corporation, who joins me to discuss the demand for liquefied natural gas and Singapore's role as an LNG hub.

How have your 30 years of experience in this industry influenced your vision for and the leadership of Singapore LNG?

Leong Wei Hung (SLNG) 00:42

Well, thank you for the question. I think it is a very important aspect that we need to consider when we look at how this organisation can be led. SLNG operates a very critical asset in this role as a part of Singapore's energy infrastructure. Obviously, energy security is one of the topmost concerns of the government. It is, obviously, a very complex and multifaceted business as well. In terms of terminal operations, for example, we have to coordinate the activities of various LNG importers and understand the nature and requirements of the power generation business in Singapore. And also, be very familiar with the gas distribution network as well, and we also have piped natural gas from our neighbors and how that's balanced into Singapore, we also need to have a bit of understanding, and all this on top of having to run a terminal with a world class standard of safety and reliability.

On the commercial side, we keep our fingers on the pulse of what's happening in the energy industry and what is to come, as well, in the energy transition. Energy sources and demand patterns are also changing. The trading and supply of fuel and energy has become much more complex over the years with increasing pressure from climate change and also from the cost of supply. Climate change has made it very real for us to be adaptable to how new energy sources come about, and also understand how they interact or coexist with current forms of energy, including LNG.

In the course of my career, I have been very privileged and very fortunate to have been given opportunities to take on a wide range of portfolios in the energy sector. I have personally witnessed how energy requirements can differ in different countries and how it can be delivered efficiently and cost-efficiently in many different ways. My experience has provided me with a deep understanding of what we need to do to continue to ensure energy security while at the same time, adapt ourselves to the energy transition that is happening. Furthermore, as a Singaporean born and bred, I am very conscious that it is also our responsibility to do what we can, to keep energy costs low and make sure that we continue to be available so that the lifestyles of typical Singaporeans and folks living in Singapore, be it at work or play, continue to be fun and avoid being unnecessarily disrupted. So, all of this will guide my leadership in SLNG as we plan for current near-term objectives as well as the future of SLNG.

Michelle Martin (Money FM 89.3) 03:31

Those are many priorities you have to balance, Mr. Leong. On the topic of energy security, how is SLNG enhancing energy security with regards to supply chains and also the need for diversified supply chains?

Leong Wei Hung (SLNG) 03:47

I think there is a growing need to ensure that we are in the know of what is happening around the region. We are an open-access, multi-user terminal. We conduct our business fairly and transparently with any importer or trader, and we provide professional and dedicated services to these businesses. We are also very attentive to changing needs that come about as a result of the change in supply and demand patterns. We adapt, and we adopt innovative ideas when they come about, to address these demand changes. Obviously, we are members of network forums, having a discussion with our network partners and our competitors, even, help us to achieve some of those ideas.

Michelle Martin (Money FM 89.3) 04:33

Tell us more about Singapore's LNG terminal and its significance for Singapore's energy security.

Leong Wei Hung (SLNG) 04:40

The Singapore government has laid out clear plans to meet the growing energy needs for Singapore based on the four switches, and the four switches are natural gas, solar, regional power grids, and also low-carbon alternatives. As the development of some of these switches do take time, natural gas will obviously continue to be one of the most stable and relatively clean sources of energy for a while. Our gas comes from a mixture of two sources: one is piped natural gas, which comes from our neighbors, and the other is liquefied natural gas, imported from other countries as well, and coming through our terminal.

Since piped natural gas will naturally deplete over time, the call on SLNG to increasingly handle more LNG imports into Singapore for our domestic needs or regional trading needs, our LNG bunkering needs for our maritime sector, that will also correspondingly increase. To achieve this, we have been working very hard over the last couple of months to make sure we plan for this additional capacity ahead of the projected demand. As Singapore continues to prosper, this investment in capacity will surely help ensure the nation is able to capture opportunities that come about, and grow, without, at the same time, being worried about being constrained by its clean energy needs.

Michelle Martin (Money FM 89.3) 06:05

What initiatives is Singapore LNG taking to position Singapore as a leading LNG hub in Asia and also to advance decarbonisation efforts here in Singapore, and maybe for the region as well?

Leong Wei Hung (SLNG) 06:19

This is indeed a very broad question, but one that we are ready to address and are very keen to also make headway into this challenge.

Singapore prides itself on being a major trading hub, and we have continuously fortified our trading ecosystem to maintain this position across all commodities, LNG included. So SLNG contributes to this effort through various LNG-related services, and we expand our infrastructure as necessary to grow these businesses and also enable new ones to be developed. I'll give you a few examples, SLNG will allow traders to bring in large cargoes and store them in our tanks, and then to be reloaded and re-exported, at some point later. Another example is that traders can bring in larger parcels of LNG, and we can help them break bulk, so that they can be put onto smaller vessels to be shipped to smaller terminals elsewhere in the region. Energy can also be transferred to trucks, and we have a truck loading bay that would enable LNG to be put on trucks and be put on the road, and to meet the demand of the industry in Singapore, where the industrial plants might be thinking of decarbonising away from the more pollutive oil, into more cleaner products like LNG.

So, we have all these capabilities to help the ecosystem to flourish. In particular, we want to leverage on our terminal's capabilities and Singapore's position as a world-leading bunkering hub. The growing demand for LNG bunkering allows us to be part of that ecosystem, and we want to accommodate more of this demand into Singapore, and we are really open to explore expanding our genetic capacity, in order for that to happen as well.

Michelle Martin (Money FM 89.3) 08:13

So really helping with storage and also the infrastructure when it comes to transportation from Singapore.

Leong Wei Hung (SLNG) 08:20

That's right, and also the maritime sector has its own decarbonisation plans, and for us to be able to help with that process, is going to help them with their plans as well, so a little bit of cross-sector help.

Michelle Martin (Money FM 89.3) 08:36

Well, speaking of navigation, how is SLNG navigating current energy needs and also the need to bridge the gap towards future energy goals?

Leong Wei Hung (SLNG) 08:47

That's a great question. One of the things that are important to address is how we look at the growth of the alternatives. Fortunately for us, in the wisdom of our founding SLNG team, we have got a Terminal Master Plan which is designed to be scalable and adaptable to future demand.

Since we commenced operations around May 2013, we have not only expanded our infrastructure to enable new service offerings, but we also built up many competencies and skill sets to world-class standards. As a result of that, we have gained a lot of capabilities and expertise, which we will continue to do and that puts us in a good position to participate in the future energy options.

For example, we are currently in various stages of working with industry to explore the use of low-carbon alternative fuels like ammonia and hydrogen. And, maybe in the not-too-distant future, we may be playing a significant role in enabling much greener alternatives domestically: methanol, biogas. They are also possibilities that SLNG is exploring. Issues with alternative energy sources at the moment, comes with things like storage issues, intermittency of power sources, and cost. And, we believe that natural gas will continue to be the mainstay for Singapore's energy needs and perhaps for the countries around us as well.

Michelle Martin (Money FM 89.3) 09:25

Can you tell us about the innovative approaches SLNG is taking towards meeting your carbon neutrality targets for 2050?

Leong Wei Hung (SLNG) 10:32

This is an important aspect, and we are blessed that we have a great team of folks who look into the future, and anticipate things like this to happen. So, SLNG actually started looking into our carbon footprint a few years ago, and we started to, by looking at understanding how we could measure against the different standards that exist today. We also started to publish our sustainability report voluntarily, and that set us on a path to understand and identify activities to decarbonise our activities.

And very importantly, we also have brought a board along with us, so we have got support from the board to look at the issues that we have. We have got projects running and we have as many as 20 initiatives that we have looked at to address this. Let me just give you one example, we undertook a project to make sure that the LNG recirculation through our pipelines consistently travels through optimised channels, optimised routes, so that we reduce energy wastages.

We are relatively small in terms of our LNG energy capacity and we have only been in operation for 11 years, but having an early start to look at our decarbonisation journey, I think gives us a very good foothold to look at what needs to be done in the future. We have a small number of solar panels installed at our terminal, and that gives an opportunity in a small way to deploy zero-carbon energy into operations as well. So, ready to bring staff along – we have embarked on a program to educate our staff and help them understand what are the direct emissions, what are the indirect emissions.

Michelle Martin (Money FM 89.3) 12:15

LNG is often seen as a bridge towards a sustainable future. What do you see as some of the major challenges towards moving forward?

Leong Wei Hung (SLNG) 12:24

That's a great question. There are two phrases nowadays that are normally thrown around: one is LNG is a transition fuel, and the other is that LNG is a fuel in transition. Very interesting how these two simple sentences or two simple phrases can frame your thoughts around what LNG is for.

LNG as a tailpipe emission basis, it is one of the cleanest fuels you can find. However, obviously, when you look at cradle-to-grave, there are cleaner sources of energy from renewables, for example. But because it's a readily available, rateable fuel, I think LNG will continue to be in this mix for quite some time, until the time comes when renewable energy becomes more sustainable, stable in its supply. But also how we store the renewable energy as well. And hopefully through that understanding, we can discover new and innovative ways to help in how we can decarbonise our activities even more.

Michelle Martin (Money FM 89.3) 13:29

We started with a question on your vision, and we'll end with a question on the vision ahead as well. Looking ahead to SIEW 2024, how does SLNG align itself with the theme of the event this year, which is "A Connected and Sustainable Energy World"?

Leong Wei Hung (SLNG) 13:45

I think that's a great theme for this year's SIEW, given the current geopolitical and socio-economic challenges that we face around the world and in Asia as well. We have to be conscious of the need to remain on the path of decarbonisation, while at the same time, continue to deliver energy in a cost-effective manner. And this is a very difficult task to balance, but increasingly, the comparative advantage for clean energy that exists in some countries will need to be harnessed and connected with countries that may not have the same blessings of nature, to tap into lower-carbon energy supplies. So the question around how do we connect, what do we exchange in return, and how we work towards a mutually acceptable and mutually beneficial solution? These are important aspects to consider, important questions to understand, and also, collaborate.

Now with this in mind, SLNG, we have a vision and it's called "catalysing new possibilities in the energy transition." What does this mean? It means that SLNG is always seeking new possibilities to adapt in the energy mix and to remain actively relevant. If fuels like ammonia, methanol, and hydrogen become more acceptable, for fuel in the shipping or in the domestic energy generation or space, we will participate. So, one day, when the energy mix becomes more of alternative energy than LNG, I really wonder whether the company name SLNG will be the most appropriate.

Michelle Martin (Money FM 89.3) 15:24

That's a wrap for the SIEWCast. Join me next time. I'm Michelle Martin, and you heard on this episode Mr. Leong Wei Hung, Chief Executive Officer of the Singapore LNG Corporation, looking at new opportunities in the energy transition. This SIEWCast Series is brought to you by Singapore International Energy Week and Money FM 89.3.