

OUR VIEW

The Shipping sector needs to deliver on the IMO GHG Strategy by reaching net-zero GHG emissions by or around 2050.

A competitive global climate regulation is required to ensure a level-playing field for a global sector such as shipping.

Binding global regulation is crucial to de-risk the massive long-term investments required for the decarbonisation of shipping and to unlock private capital at scale.

Global regulation must reflect a fuel standard covering a fuel's entire climate footprint building on a life cycle assessment.

The European Commission must show clear political commitment that EU shipping measures will be withdrawn once a comprehensive and effective global IMO agreement is adopted.

Continued

Climate Policy



GLOBAL CLIMATE REGULATION

The Danish shipping sector is deeply committed to driving the sustainable transition of shipping. The shipping sector must deliver on the IMO GHG Strategy that was agreed in 2023 setting a zero or near-zero emission target by or around 2050. To this end it's crucial to ensure accessibility to renewable fuels, which again requires huge investments in developing and deploying renewable fuels.

Airtight and stringent IMO regulations and guidelines will provide the stepping stones for derisking investments, by sending a clear signal to fuel producers that the shipping sector will ensure a major uptake of renewable fuels.

The IMO GHG Strategy provides a clear pathway for what is needed and expected by the sector.

2026 stands up as the crucial year, where IMO must agree on a clear pathway to adopt the necessary regulations for a pricing mechanism and a technical standard, that must enter into force by 2030.

The regulation must set the standards for renewable fuels taking into account a fuel's entire climate footprint. This must be done by taking emissions from production to combustion into account (well-to-wake). The regulation must incentivize the uptake of renewable fuels, which will be more expensive than fossil fuels. Besides contributing to bridging the gap between the

fuels, the regulation could also provide funding for the development and deployment of renewable fuels and a just and equitable transition for Least Developed Countries and Small Islands Developing States.

Renewable fuels are three to four times more expensive than fossil fuels, and production is at a very low level, including in Europe. However, renewable fuels are expected to offer new business opportunities for countries with considerable renewable energy resources such as solar and wind.

EU CLIMATE REGULATION

The European Commission must commit to global regulatory alignment by clearly stating that EU shipping climate measures will be withdrawn once an ambitious global agreement is adopted at IMO level, ensuring legal certainty and a level playing field.

The revision of the EU ETS for shipping and FuelEU Maritime must fully reflect IMO initiatives and establish a coherent legal framework that avoids double-counting, double payment, and double reporting.

As long as shipping is covered by the EU ETS, revenues generated at EU and Member State level must be transparently earmarked and reinvested in the maritime sector's decarbonisation, including zero- and near-zero-emission fuels, infrastructure, and technologies.

Policy Paper

2026

Shipping is a substantial financial contributor to the overall green transition, notably through its participation in the EU ETS. More sources of finance to support the scale up of green fuels in particular, and the green transition of shipping in general are needed. Especially in the current investment climate, which is marked by uncertainty.

FACTS

- International shipping accounts for approximately 3% of the global GHG emissions – corresponding to all German emissions.
- Around 80-90% of the volume of international trade in goods is carried by sea.
- The shipping sector alone would require the totality of today's wind capacity to produce sufficient quantity of e-fuels.
- The World Bank has estimated the market for renewable fuels to more than one trillion USD.