



Chamber of Shipping media release

23 September 2009

Shipping industry supports emissions trading to reduce CO₂

The shipping industry associations of the Australia, Belgium, Norway, Sweden and the UK have today launched a discussion paper detailing a practical solution for reducing CO₂ through emissions trading.

“It is important that legislators and regulators find a practical way of including shipping in the international work to reduce global warming,” said UK Chamber of Shipping president Jesper Kjaedegaard. In the debates so far, no option has been defined whereby shipping could fit in with the emissions trading arrangements that are set to be applied to all other sectors. This discussion paper seeks to correct that omission.”

“Shipping is, by a considerable margin, the most efficient way to transport goods, but it still produces about three per cent of the CO₂ emitted as a result of human activity. Clearly such a major industry, transporting over 80% of world trade, has a responsibility to reduce carbon outputs. We believe some form of emissions trading system is the way to do it.”

“It is important,” Kjaedegaard continued, “that any solution is global and developed through the UN’s specialist maritime agency, the International Maritime Organization. It is also vital that any emissions trading regime is implemented without driving goods to other modes of transport, which would increase overall emissions and damage commercial shipping.”

This new paper demonstrates how a global and open emissions trading system for shipping can work in practice. Although improvements will continue to be gained through ship design and operational efficiency – and any new system must take account of these – “cap-and-trade” is the only way to guarantee overall CO₂ emissions reduction. Using the power of market forces, such a system would put the incentives in the right place to drive standards and behaviours. For example, it would force operators to pay more attention to efficient voyage-planning and management of their fleets, and investment in modern tonnage, as lower emissions would be financially rewarded. It would also promote change by supporting innovation and technological development.

Our associations will now work with governments and others – many of which already support the cap-and-trade concept in principle – to persuade them to take account of this approach in the important international negotiations which lie ahead in the UN-led global CO₂ reduction talks in Copenhagen in December and subsequently in the International Maritime Organization.

ENDS

For further information please contact:

Jeremy Harrison, Chamber of Shipping (020 7417 2834)

Notes to Editors

- The title of the discussion paper is 'A global cap-and-trade system to reduce carbon emissions from international shipping' and it is presented by the national shipping associations of Australia, Belgium, Norway, Sweden and the United Kingdom'. The individual bodies that have created it are the Australian Shipowners Association, the Royal Belgian Shipowners' Association, the Swedish Shipowners' Association, the Norwegian Shipowners' Association and the UK Chamber of Shipping.
- The IMO will hold its 2009 World Maritime on Thursday 24 September, with the theme of "Climate change: a challenge for IMO too!"
- Emissions Trading: In simple terms, an emissions trading scheme works by allowing an organisation that emits CO₂ to either buy, or be given, a certain number of carbon allowances or credits during the compliance period to cover its emissions. At the end of the period, the emissions from the organisation are compiled. If the organisation has exceeded the amount covered by the allowances, more credits have to be purchased from the market. If there are allowances left over, they can be 'banked' for future use or sold to the market.
- The Chamber of Shipping is the trade association for the UK shipping industry, working to promote and protect the interests of its members both nationally and internationally. With 137 members and associate members, the Chamber represents over 898 ships of about 23 million gross tonnes and is recognised as the voice of the UK shipping industry.
- For more information on British Shipping, please go to: <http://www.british-shipping.org>