

PRESSMEDDELANDE/ PRESS RELEASE

27 November 2014

EU climate law for shipping to result in incomparable data and no CO₂ cuts

The Swedish Shipowners' Association (SSA) and Finnish Shipowners' Association (FSA) is positive to regulations to reduce CO₂ from the maritime sector but warns that the EU Regulation on the monitoring, reporting and verification (MRV) of CO₂ emissions of shipping may have the opposite effect. The informal agreement on the MRV Regulation, which was reached last week, includes transport work, and thus the focus has shifted from a means to control the absolute CO₂ emissions to a focus on ship efficiency. As such, the SSA and FSA fear that the original goal to fight climate change may be lost.

The SSA and FSA fully welcomed the first ever global and legally binding CO₂ standard for an industry sector, adopted by the International Maritime Organization (IMO) in 2011. The SSA and FSA further continue to support any initiatives taken to reduce emissions further whilst recognizing the importance of fair competition and fair application of the law.

The MRV Regulation, which was originally envisaged as a first step to reduce the contribution to climate change by controlling absolute CO₂ emissions from shipping, instead now only focuses on ship efficiency. "Sailing efficient ships is without a doubt of key importance, but it is a 'paper tiger' in EU legislation. Instead of making full use of the potential to control the absolute amount of CO₂ emissions, the EU MRV is likely to turn into long debates over technical details as to how to calculate the diverse forms of transport work as well as the collection of incredible amounts of uninterpretable and incomparable data," says Pia Berglund, CEO of SSA and Olof Widén CEO of FSA. "More importantly, by including the concept of transport work, the SSA is afraid that the Regulation will be used by certain organisations to justify increased emissions from shipping by default as long as the overall energy efficiency rating of ships is improved. Thus the original aim to tackle climate change has been lost."

In conclusion, the SSA and FSA is of the opinion that there is no stronger incentive for ship owners than fuel savings and thus energy efficiency will always be the first

priority. Efforts at EU level should instead have been targeted to a control of the absolute amount of CO₂ emissions, believes both the SSA and FSA.

Facts about MRV

Emissions from the global shipping industry amount to around 1 billion tonnes a year, accounting for 3% of the world's total greenhouse gas (GHG) emissions and 4% of the EU's total emissions. Monitoring, reporting and verification (MRV) refers to a set of procedures through which factual information is provided, assessed and checked before publishing verified annual data on CO₂ emissions from large ships (over 5 000 gross tons), irrespective of where the ships are registered. The MRV system is expected to cut CO₂ emissions from the journeys covered by up to 2% compared with a 'business as usual' scenario, according to the EU Commission's impact assessment. Ship owners would have to monitor and report the verified amount of CO₂ emitted by their large ships on voyages to, from and between EU ports. The MRV Regulation will be formally agreed by the European Parliament and Council of Ministers in the coming weeks and enter into force in 2018.

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