

Report on Supply Chain Compliance Volume 3, Number 1. January 09, 2020

European Commission Green Deal includes maritime in emissions trading system

By Sascha Matuszak

European Commission President Ursula von der Leyen unveiled the new Green Deal^[1] on Dec. 11, including a formal intention to include maritime shipping in the European Union's emission trading system. The EU removed maritime from the system in 2017 at the behest of shipping companies and the secretary general of the International Maritime Organization (IMO), Kitack Lim, in favor of a global strategy for reducing greenhouse gases, spearheaded by the IMO itself.

The IMO has pushed for a global strategy for maritime emissions, as opposed to regional efforts, to avoid a complex, uneven rollout that will add more costs to an already-expensive endeavor. The IMO sulfur cap, which went into effect Jan. 1, 2020, will already cost companies billions in order to comply. Every organization in the shipping supply chain must find a way to reduce sulfur emissions through refitting existing ships, building compliant ships and building the alternative fuel infrastructure required to keep the global fleet operational.

The EU has been a leader in drafting consumer-friendly regulations that span industries — from data to medical devices to chemicals — and the European Commission argues that progress in Europe toward ambitious goals can only help the IMO's efforts to introduce an eco-friendly and effective global standard.

Lim is set to travel to Brussels for talks in early 2020.^[2]

¹ "A European Green Deal: Striving to be the first climate-neutral continent," European Commission, accessed December 31, 2019, <http://bit.ly/36fodWW>.

² Anastassios Adamopoulos, "IMO warns against 'trouble' and 'confusion' for global decarbonisation efforts amid EU emissions push," *Lloyd's List*, December 12, 2019, <http://bit.ly/2QgxSdi>.

This publication is only available to subscribers. To view all documents, please log in or purchase access.

[Purchase Login](#)