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International Chamber of Shipping proposes USD 54 billion research fund for emissions

By Sascha Matuszak

Merchant shipping owners released a USD 54 billion proposal^[1] for a research and development program to eliminate CO2 emissions. The program is an attempt to get ahead of current and emerging regulatory requirements to reduce emissions in the shipping industry. The International Maritime Organization (IMO) sulfur cap recently went into effect, but so far most of the shipping industry has yet to fully comply. According to the International Chamber of Shipping, highlights include:

- “A new non-governmental Research & Development organisation to pave the way for decarbonisation of shipping.
- “Core funding from shipping companies across the world of about USD 5 billion over a 10-year period.”
- The acceleration of “the development of commercially viable zero-carbon emission ships by the early 2030s.”

The proposal comes as the shipping industry deals not only with the IMO sulfur cap, but also a push by the EU to include shipping emissions in the New Green Deal.^[2] Emissions from the shipping industry have come under intense scrutiny in the last few years as the IMO sulfur cap neared its implementation date. Alternative fuels, the construction of new terminals and bunkers, and the refitting of existing ships has increased costs, but these efforts are seen as necessary sacrifices toward the goal of reducing shipping's carbon footprint.

¹ International Chamber of Shipping, “Shipping sector proposes USD 5 billion R&D board to cut emissions,” news release, December 18, 2019 <http://bit.ly/2U5wKeQ>.

² Sascha Matuszak, “European Commission Green Deal includes maritime in emissions trading system,” *Report on Supply Chain Compliance* 3, no. 1 (January 9, 2020), <http://bit.ly/2U3yGEI>.

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