ENERGY EFFICIENCY: IMPROVEMENTS
PAST AND FUTURE

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also on behalf of the International Chamber of Shipping
Climate change and Shipping

- Serious and Urgent
- Direct relationship with trade
- Shipping not discretionary
Climate change and Shipping

- Shipping is global and multilateral
- IMO has excellent track record on safety and environmental regulation
- IMO should lead on carbon too
Efficiency improvements

- Constant search for efficiency and fuel consumption reductions
- Fuel costs substantial proportion of operating costs
Comparison of CO2 emissions between different transport modes

Source: Swedish Network for Transport and the Environment
Shipping as % of global inventory

2009

World CO2 emissions from the consumption and flaring of fossil fuels, 2006 – Million tonnes of CO2

Source: Energy Emission Administration

- Shipping
- Rest of the World
Shipping as % of global inventory

2009

2020

Shipping as % of global inventory

Shipping

Rest of the World

Shipping

Rest of the World
CO₂ emissions and emission targets

3% annual growth = 40% more emissions by 2020

Thanks to DNV
Political landscape

- Europe – favours global solution, but will act regionally if necessary
- US – position key, both for critical mass and as example to others
- Emerging economies – position uncertain
Key considerations

- Global regime
- No more favourable treatment – should apply to all
- Some form of Market Based Instrument likely
- International Fund
- Trading or levy/tax?
MBI system parameters for international shipping

- Ultimate vision: zero carbon emissions
- Shipping treated as separate country for reporting and measurement of emissions
- Global in nature and regulated by IMO
- Result in demonstrable, global reduction
- Capable of replacing regional/national systems
- Fair to large and small operators and minimum risk of competitive distortion and modal shift
MBI system parameters for international shipping

- International administrative body to handle funds accruing from levy or trading
- Emissions assessed against fuel consumption of ships – verified through bunker purchase records
- Funds used to meet shipping’s reduction target
- Easy to administer at shipping company level
- Interact with other MBIs/trading schemes
Governments and industry must work together to find the solution.