



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**

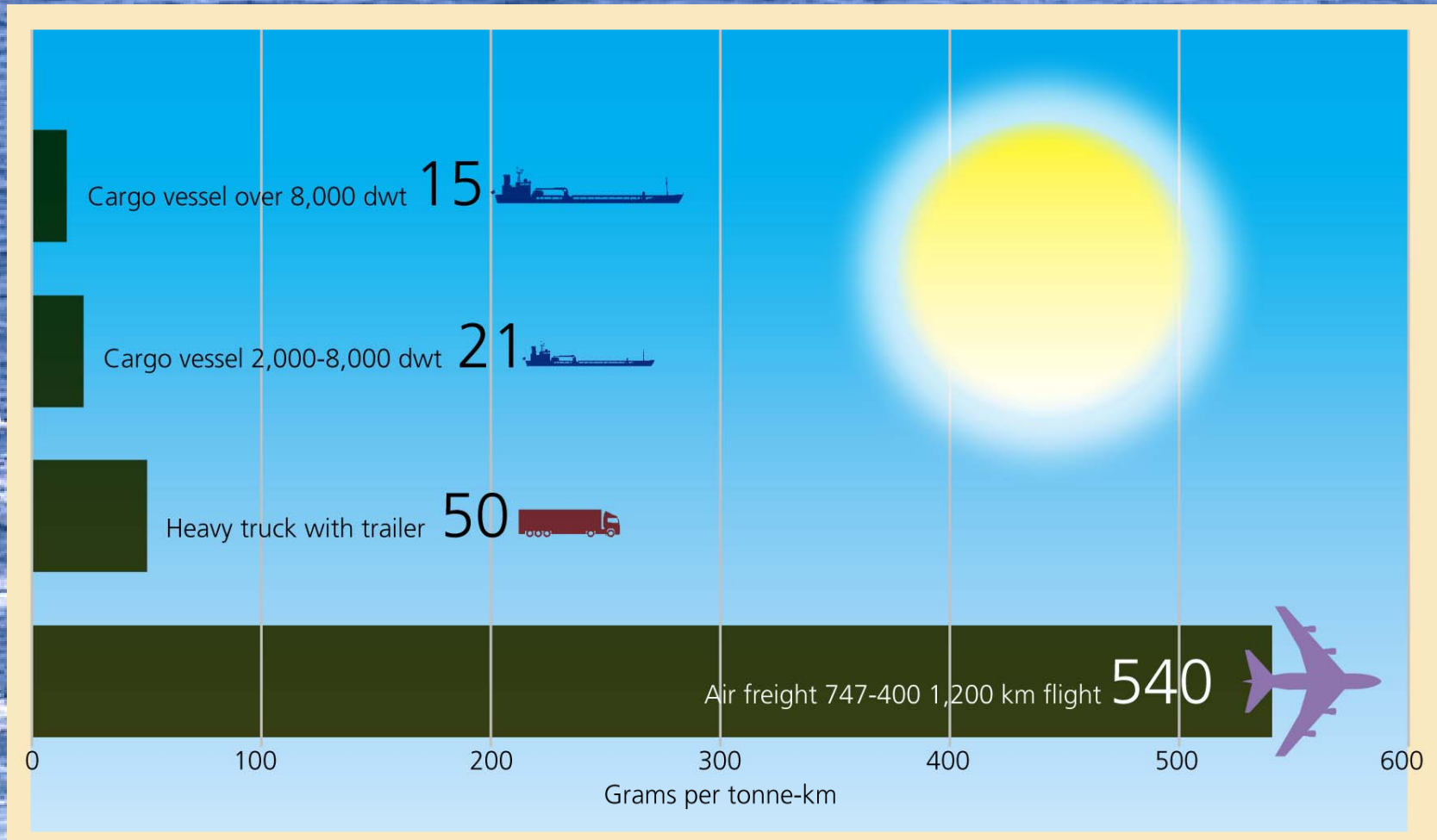
Climate change and Shipping

- 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**

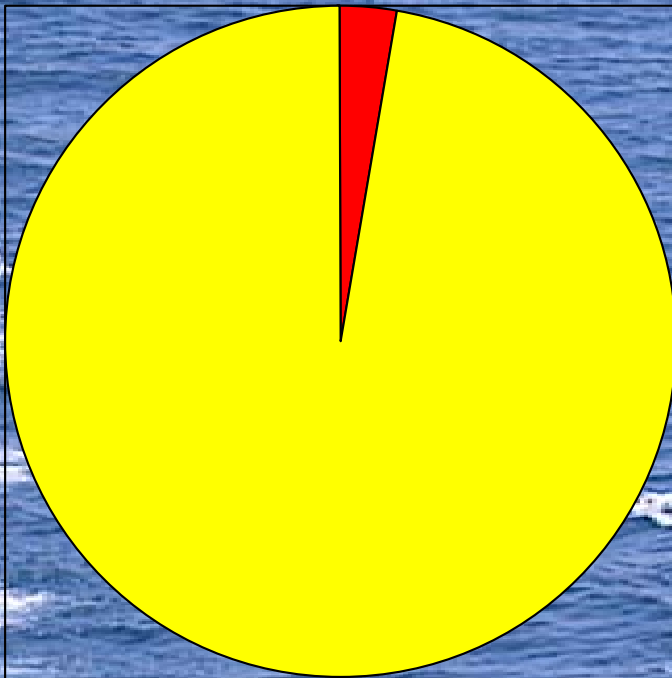
Comparison of CO2 emissions between different transport modes



Source: Swedish Network for Transport and the Environment

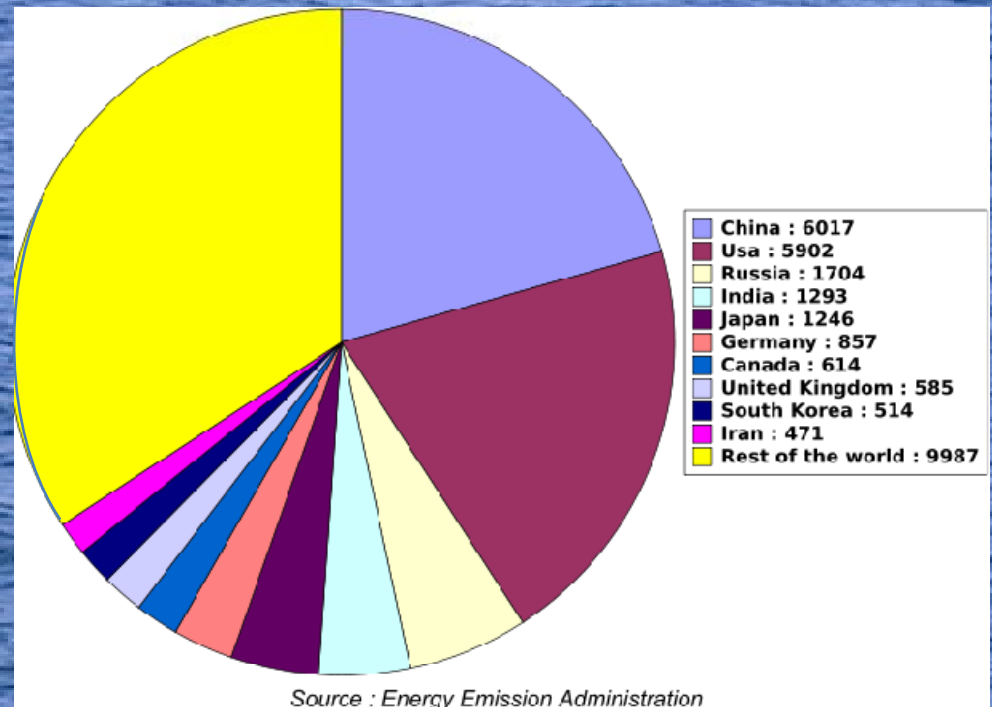
Shipping as % of global inventory

2009



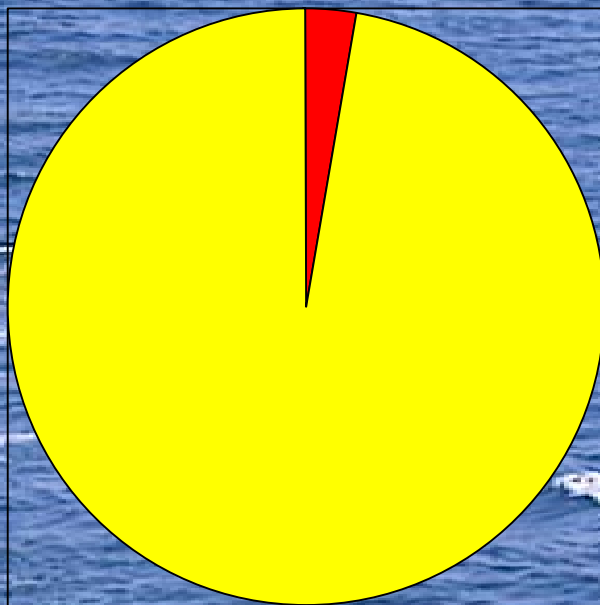
■ Shipping ■ Rest of the World

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



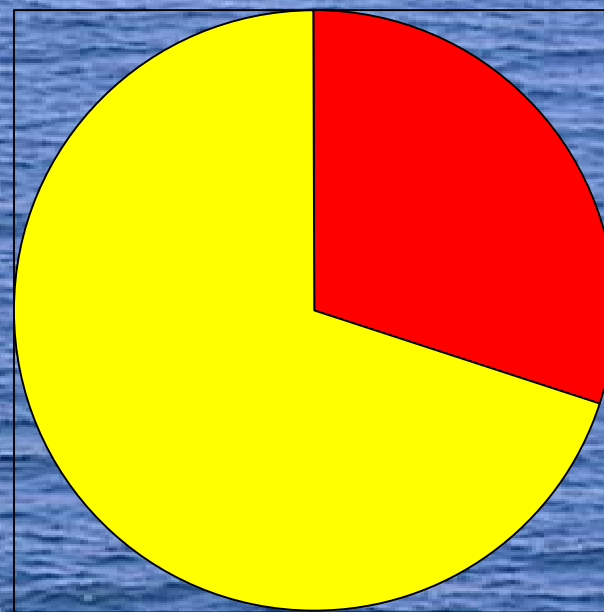
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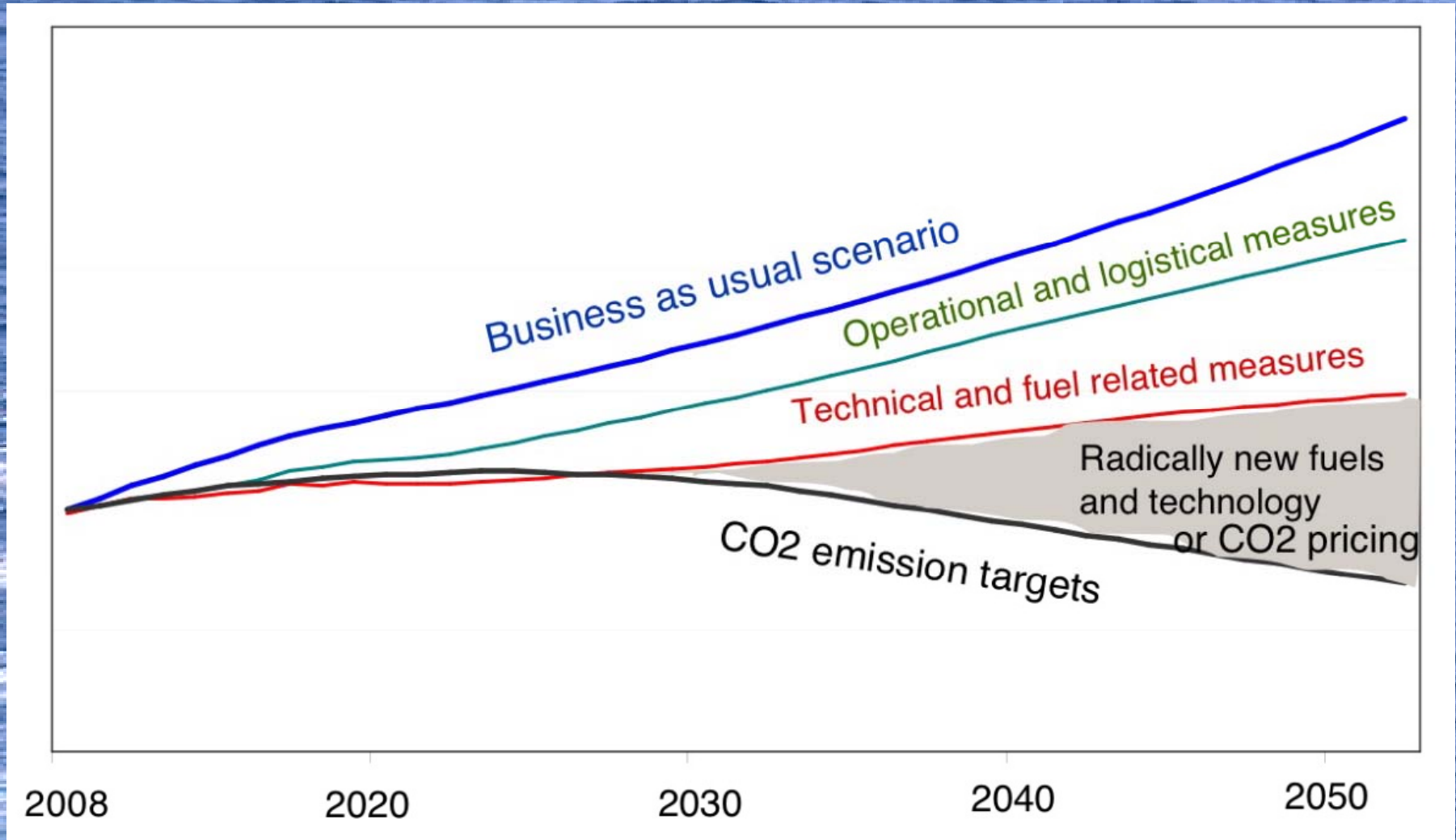
2020



■ 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 1

- 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 2

- 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

An aerial photograph of a vast, deep blue ocean. The water's surface is covered in small, rhythmic ripples. In the lower-left quadrant, the white, frothy wake of a boat is visible, curving across the water. The overall scene is serene and expansive.

**Governments and industry
must work together to
find the solution**