



## New Getting to Zero Coalition report: Policy measures can make zero-emission shipping commercially viable

“Closing the Gap” is the title of a new report launched today, outlining policy measures that could close the competitiveness gap between fossil fuels and zero-emission alternatives in shipping as well as enable an equitable transition. The report has been prepared by UMAS for the Getting to Zero Coalition - a partnership between the Global Maritime Forum, Friends of Ocean Action, and the World Economic Forum.

For international shipping to decarbonize, zero-emission fuels need to become the dominant fuel source by the 2040s. However, there is an urgent need for the development of policies that can close the competitiveness gap and accelerate the maritime zero-emission trajectory:

*“The cost of zero-emission fuels must be significantly reduced to close the competitiveness gap with fossil fuels. To bridge this gap, we need to realize the potential of public-private collaboration. As companies, we must develop and deploy solutions at scale while policy makers must put in place the necessary regulation to make zero-emission shipping commercially viable and the default choice by 2030,”* says **Christian M. Ingerslev, CEO of Maersk Tankers.**

According to the report, there are multiple potential policy options for closing the competitiveness gap. A preferred way forward to support the shipping sector through an equitable zero-emission transition is to adopt a policy package, which combines the strengths of the different policy options whilst mitigating their weaknesses.

A policy package could consist of a global market-based measure that collects revenue which is then used fairly to support the transition, and a direct command-and-control measure to send an unequivocal signal to the market that a fuel transition will take place. This could be usefully complimented by voluntary initiatives, information programs and national and regional policy measures to stimulate investments, encourage knowledge sharing and support capacity development.

The report emphasises the need to consider the equitability of the transition when designing measures and combining policy options:

*“Decarbonization policy for shipping needs to be as much about equity and fairness as it is about climate change mitigation. Vast inequalities exist globally, many of which are worsening in the face of climate change. With careful policy design and use of carbon pricing revenues, we can ensure that maritime climate policies do not exacerbate these inequalities. Furthermore, embedding equity into policy measures will help secure the multilateral agreement that is urgently needed,”* says **Isabelle Rojon, Principal Consultant at UMAS and lead-author of the report.**

The report estimates the carbon price required under full decarbonization by 2050 or 50% decarbonization by 2050 and finds that there is no big difference in average price level between the two scenarios. An average carbon price of just under \$200 is required for shipping’s full decarbonization, whereas under the 50% reduction scenario it is around 10% lower:

“The report shows that the introduction of a relatively low carbon price in the 2020s that is gradually increased to around \$200 will make it possible to fully decarbonize shipping and create an industry that is powered solely by net-zero energy sources by 2050. This level of carbon price is in line with what is estimated by, for instance, the International Energy Agency (IEA) as needed across all industries to achieve the Paris Agreement goals, indicating that shipping is not a unique case,” says **Kasper Søggaard, Managing Director of Global Maritime Forum.**

While national and regional action are important and have a role in the transition, the work on a global package of policies to close the gap will be key:

“This year will be critical for decisions on climate policy in the IMO. Our report shows that there is no single perfect policy and that a successful transition will likely hinge on developing and deploying a mix of policies which can address different aspects of the transition. The imposition of market-based measures on the shipping industry is relatively uncharted, so the sooner policy-makers can surmount this challenge together, the better for the transition, the industry, and the environment,” says **Dr. Alison Shaw, Research Associate at UCL and co-author of the report.**

Read the full “Closing the Gap” report [here](#)

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### **About the Getting to Zero Coalition**

The Getting to Zero Coalition is an industry-led platform for collaboration that brings together leading stakeholders from across the maritime and fuels value chains with the financial sector and other committed to making commercially viable zero emission vessels a scalable reality by 2030. The Getting to Zero Coalition is a partnership between the Global Maritime Forum, the Friends of Ocean Action, and the World Economic Forum.

### **About Global Maritime Forum**

The Global Maritime Forum is an international not-for-profit organization committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing.

### **About Friends of Ocean Action**

Friends of Ocean Action is a unique group of over 70 global leaders from business, international organizations, civil society, science and academia who are fast-tracking scalable solutions to the most pressing challenges facing the ocean. It is hosted by the World Economic Forum in collaboration with the World Resources Institute.

### **About World Economic Forum**

The World Economic Forum is the International Organization for Public-Private Cooperation. The Forum engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas. It was established in 1971 as a not-for-profit foundation and is headquartered in Geneva, Switzerland. It is independent, impartial and not tied to any special interests.

### **About UMAS**

UMAS delivers consultancy services and undertakes research for a wide range of clients in the public and private sectors using models of the shipping system, shipping big data, and qualitative and social science analysis of the policy and commercial structure of the shipping system. UMAS's work is underpinned by state-of-the-art data supported by rigorous models and research practices, which

makes UMAS world-leading on three key areas; using big data to understand drivers of shipping emissions, using models to explore shipping's transition to a zero emissions future and providing interpretation to key decision makers. For more information visit: [www.u-mas.co.uk](http://www.u-mas.co.uk)

### **About Maersk Tankers**

Maersk Tankers is a service company that provides commercial management solutions for shipowners in the tanker industry, operating the largest tanker fleet in the world. Our purpose is to pioneer shipping solutions for our partners and the planet. Founded in 1928, we have a century of expertise in management of tankers, which we use to develop and deploy solutions that help shipowners boost the economic and environmental performance of their vessels. Maersk Tankers employs approximately 300 employees in Denmark, Singapore, India and the U.S. and is headquartered in Copenhagen, Denmark.