

Media Release – 04 February 2022

EU Beginning to Grasp Realities of Shipping, says INTERCARGO

The recent proposal by MEP Peter Liese to update Amendment 9 of the EU emissions trading system (ETS) draft directive and support the ‘polluter pays’ principle is cautiously welcomed by INTERCARGO, the international association representing the world’s quality dry bulk shipping sector.

This recognition that often the shipping company is not the commercial entity controlling the ship operation, and thus is not responsible for the resulting GHG emissions, is long overdue.

INTERCARGO Chairman, Dimitrios Fafalios says: “Although we retain our reservations on the EU emissions trading system (ETS) as a whole, we are pleased to see the EU take steps in the right direction, as regulators finally grasp some of the realities of our industry.

“Trading patterns within the dry bulk sector are diverse and dispersed. A significant share of the bulk carriers’ operation is administered by charterers, which not only take responsibility for purchasing the fuel, but also take operational decisions that directly affect the CO2 emissions of the ship, such as speed of transit.

“At the same time, whilst the proposal recognises the need to establish a contractual requirement between the shipowner and commercial operator to pass on the costs, it must be understood that this will be easier said than done.”

Despite this move, INTERCARGO is still firmly committed to supporting the role of the IMO (International Maritime Organization) as the global forum and regulator for driving the elimination of all CO2 emissions from shipping worldwide.

The Association does, however, support any initiative designed to ease this transition for ship operators, and as such supports Mr Liese’s proposal for the establishment of an Ocean Fund to finance R&D into maritime decarbonisation and to fund R&D projects aimed at bridging the price gap between cleaner and conventional fuels.

About INTERCARGO: International shipping is vital for the global economy and prosperity as it transports approximately 90% of world trade. The dry bulk sector is the largest shipping sector in terms of number of ships and deadweight. Dry bulk carriers account for 43% of the world fleet (in tonnage) and carry an estimated 55% of the global transport work. Please view the [2021 Dry Bulk Shipping video: Sustainably serving the world's essential needs¹](#).

The International Association of Dry Cargo Shipowners (INTERCARGO) unites and promotes quality dry bulk shipping, bringing together more than 220 forward thinking companies from 30 countries. INTERCARGO convened for the first time in 1980 in London and has been participating with consultative status at the International Maritime Organization (IMO) since 1993. INTERCARGO provides the forum where dry bulk shipowners, managers and operators are informed about, discuss, and share concerns on key topics and regulatory challenges, especially in relation to safety, the environment, and operational excellence. The Association takes forward its members' positions to IMO, as well as to other shipping and international industry fora, having free and fair competition as a principle.

¹ www.intercargo.org/video-2021