



ECSCA

European Community Shipowners' Associations

CLIMATE and SHIPPING

Low sulphur fuel and some other environmental topics

Martin Dorsman
Secretary General

A promotional poster for the ECG Conference 2019. The background is a dark space scene with a large, grey, cratered moon in the upper right. In the foreground, a futuristic orange and black sports car is shown from a front-three-quarter view, with a driver visible in the cockpit. The car's headlights are on, and it appears to be on a reflective surface.

ECG
THE ASSOCIATION
OF EUROPEAN
VEHICLE LOGISTICS

FLY ME TO THE MOON
TOMORROW'S INDUSTRY TODAY

HOTEL PALACE BERLIN
17/18TH OCTOBER 2019

ECG
CONFERENCE
2019

www.ecgassociation.eu



ECSCA

European Community Shipowners' Associations

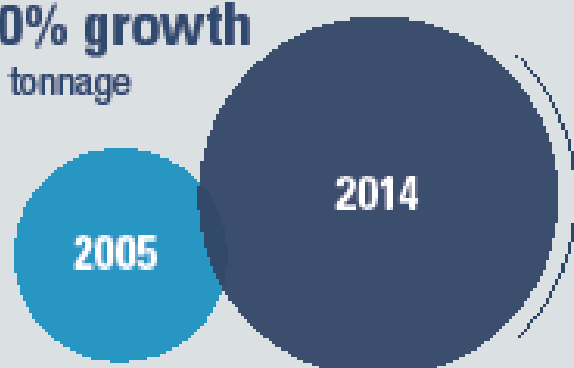
About ECSCA

- Representing 20 national shipowners' associations of the EU countries and Norway
- Founded in 1965
- Promotes and protects the interests of European shipping
- Brussels Secretariat – 11 employees

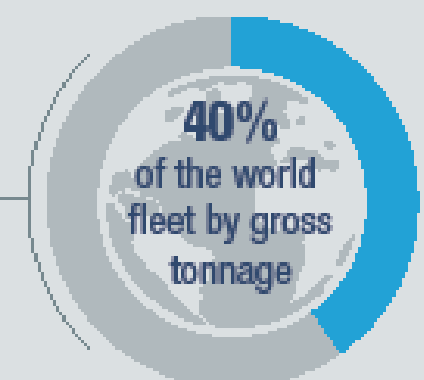
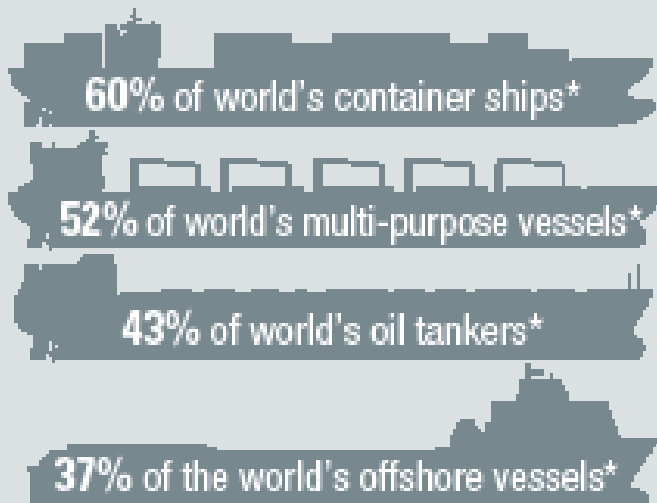
The economic value of the EU shipping industry

The EU controlled shipping fleet in numbers

70% growth
in tonnage

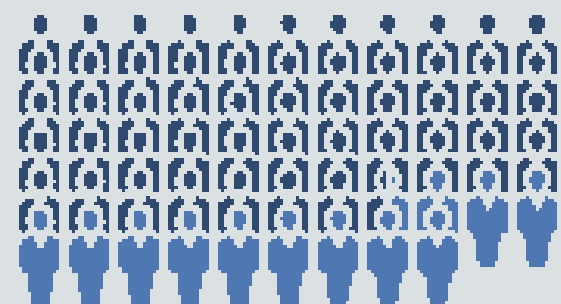


660 million deadweight tonnes
450 million gross tonnes
23,000 vessels



*By gross tonnage

Direct economic impact



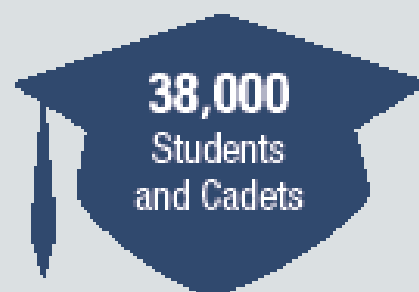
640,000
people employed



Sea based jobs



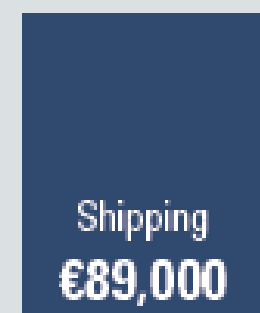
Land based jobs



38,000
Students
and Cadets



€57
billion
to EU GDP



GDP per worker

Indirect impacts

€60 billion
contribution to
GDP

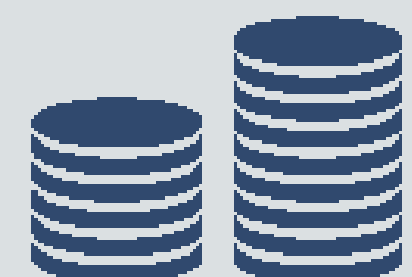
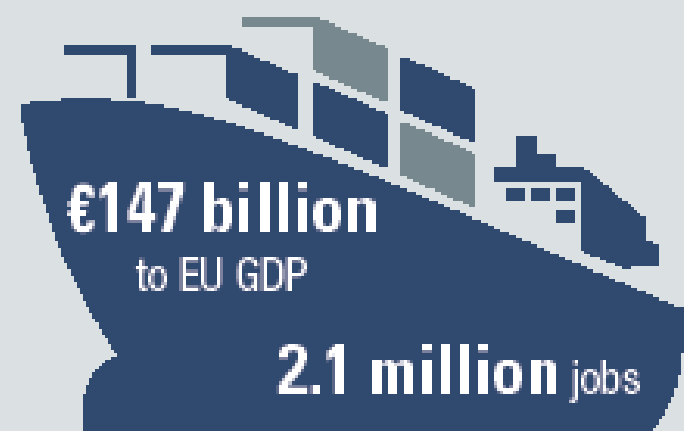
980,000
jobs

Induced impacts

€30 billion
contribution to
GDP

477,000
jobs

Total economic impact



For every **€1 million** of GDP the shipping industry creates, another **€1.6 million** is created elsewhere in the EU economy

ECSA contributes to policy making, implementation and enforcement

- ECSA contributes to EU **policy making** and the **execution** and **enforcement** of existing regulations on many topics such as competitiveness, trade policy, environment, safety, security and social affairs
- **Offers a single point of contact and expertise** to our partners in the EU institutions and stakeholders in Brussels
- ESSF
- ESW 2020



ECSA's key strategic issues:

Level playing field and safeguarding EU shipping competitiveness is key

- **Trade/Competitiveness**
- **Climate**
- **Human resources**



Climate key topic for the new mandate of the Commission

- Ms Von der Leyen, President-elect in letter to Commissioner-designate Transport: You will lead work on **extending the Emissions Trading System** to the maritime sector
- A **European Green Deal** and the first European Climate Law within the new Commission's **first 100 days** of office, coordinated by Mr. Frans Timmermans, Executive Vice-President EU Commission.

Besides shipping in EU ETS more cost increasing environmental measures and not only EU and IMO are active

- *Long term IMO initial strategy: to peak GHG emissions from international shipping as soon as possible and **to reduce** the total annual GHG emissions by **at least 50% by 2050 compared to 2008***
- Short term measures IMO now being discussed, entering into force before 2023
- EU: Revision of the ETD – exemption of taxes on bunker fuels
- And more to come – OECD – carbon tax

Low sulphur fuels raise industry's concerns on availability, quality and price

- Global cap reduced to 0.5% 1 January 2020
- Industry's concerns:
 - ❑ Availability – carriage ban on non compliant fuels - FONAR
 - ❑ quality and thus safety -> new blends – stability - IMO guidelines for shipowners, fuel oil suppliers, fuel oil purchasers/users, ICS guidelines
 - ❑ Price – sharp price increase expected, might be reduced in the course of 2020

Thank you!

Martin Dorsman