

SEA EUROPE WELCOMES THE COMMISSION'S 'FIT FOR 55 PACKAGE' AS AN IMPORTANT STEP TOWARDS ACHIEVING GHG EMISSION REDUCTION

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On 14 July, the European Commission issued the long-awaited so called 'Fit for 55 Climate Package'. This package proposes an ambitious set of energy and climate laws aimed at meeting the EU's 2030 and 2050 goals under the EU Green Deal. To cut emissions by 55% by 2030 and to achieve climate neutrality by 2050 for waterborne transport, the European maritime technology sector will play an important and strategic role.

"SEA Europe supports the high EU ambitions on climate change and welcomes the proposed package as a substantial initiative towards reaching zero-emission. However, before giving a final opinion, SEA Europe will first take the time to carefully assess all proposals from the package, with specific attention to its consistency with other (ongoing) initiatives and to its potential in creating opportunities and growth for shipyards and maritime equipment manufacturers ", said Christophe Tytgat, Secretary General of SEA Europe.

To transform waterborne transport into a climate-neutral mode of transport, significant investments from the entire maritime sector, including shipyards and maritime equipment industry, will be necessary. These investments must be underpinned by a legal framework that offers legal certainty as well as stimulates investments in the production of green ships, green technologies and sustainable fuels and their integration onboard vessels. The same principle also applies to the necessary deployment of the distribution, storage and bunkering infrastructure of future sustainable alternative fuels.

More specifically, SEA Europe welcomes the Life Cycle Assessment proposed by the European Commission under the FuelEU Maritime initiative, which will help – in a goal-based approach – to define the most suitable fuels and technology options for waterborne transport, which is a sector characterised with different ship types and different trade patterns. In addition, since the CO₂/GHG released during production of fuels/energy carriers can differ significantly – regardless of whether they are fossil, bio, synthetic or non-carbon – the lifecycle assessment of carbon neutral fuels needs to be appropriately performed to correctly reflect the holistic GHG emission reduction potential. In this respect, SEA Europe is concerned that the current EU Taxonomy criteria do not embrace the same approach.

Many fuel options, such as biofuels and synthetic (drop-in) fuels, offer a significant reduction potential and can be utilized with minimal or moderate retrofitting of ships, at least as a transitional mid-term option. Therefore, SEA Europe is of the opinion that current existing energy converters, such as internal combustion engines, will play a significant role in the decarbonization of waterborne transport, if utilized with climate neutral synthetic fuels.

"There is a compelling need to foster the necessary technology development and deployment as from now on in order to prepare for a much more rapid change, as sustainable alternative fuels and the most energy-efficient technologies are getting matured", stressed Christophe Tytgat. With this objective, it should be avoided that any technology developments are hampered by the EU promoting the use of a single fuel option in the next decade.

Also, even if sustainable alternative fuels would be available, it must also be recognized that competition on renewable fuels will exist in the future and, consequently, the successful utilization of climate neutral or zero-fossil fuels does not justify the use of inefficient systems leading to a waste of resources and energy.

As regard the EU's plans to extend the EU Emission Trading Scheme (ETS) to shipping, SEA Europe fully supports the concept that the reduction of greenhouse gas emissions should be incentivised by internalising the external cost of these emissions.

Besides significant RD&I investments, additional (EU) funds will be necessary to achieve climate-neutral waterborne transport. Such funds will be needed for many purposes, such as narrowing down the price gap with fossil fuels, incentivize the development of green technologies, mature sustainable alternative fuels, and ensure the optimal integration of such technologies and fuels onboard ships, as well as to financially stimulate first movers. For this purpose, SEA Europe has proposed to set-up a transversal 'Maritime Fund' across the EU ETS and coherent with the FuelEU Maritime initiative.

SEA Europe's proposal for such dedicated Maritime Fund, however, is not intended to stop the International Maritime Organisation (IMO) to establish a world-wide market-based measure but rather to complement it as it is indispensable to incentivize climate-friendly energy converters / fuels and discourage the use of carbon intense energy options.

Background Note:

SEA Europe represents close to 100% of the European shipbuilding industry in 16 nations, encompassing the production, maintenance, repair and conversion of all types of ships and floating structures, commercial as well as naval, including the full supply chain with the various producers of maritime systems, equipment material, and services.

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