

# Ships to be included in future

The EU is mulling over plans to include waterborne traffic in its emissions trading scheme, designed to reduce emissions of carbon dioxide (CO<sub>2</sub>) and combat climate change. Germany, however, is pressing for an internationally-coordinated solution. In addition, it is a tricky business to assign CO<sub>2</sub> certificates to ships.

Pressure is rising to include international waterborne traffic in emissions trading schemes, which encompass a certain right to pollute the environment. In April, the EU Commission published plans requiring freighters, cruise ships and ferries to carry CO<sub>2</sub> certificates when they call at EU ports. Wolfgang Tiefensee, the German minister of transport and current EU council president, supports this proposal. During an interview with the media, Tiefensee said that shipping had to make a contribution to protecting the climate along with industry and aviation.

## Ships and planes almost equally dirty

Shipping accounts for 2.5% of worldwide CO<sub>2</sub> emission. This percentage is about the same as that produced by air transport. The allocation of CO<sub>2</sub> certificates to individual ships is difficult because of different engines and marine fuel qualities. The EU Commissioner for Environment, Stavros Dimas, will table a proposal for the introduction of emissions trading for ships in 2012. Tiefensee only wanted to stipulate a medium-term time frame. EU Commission plans indicate that intra-European air traffic will be included in the greenhouse gas emissions trading scheme in 2011.

In contrast to air transport, Tiefensee does not want Europe to «go it alone» in the shipping sector. That is why he is demanding the introduction of a scheme that is coordinated with the International Maritime Organization (IMO), so that European vessels are not faced with an uneven playing field compared to their competitors. This applies to cheaper flag countries such as Liberia, Panama and South Korea in particular. A unilateral EU scheme could also lead to complaints to the World Trade Organization from the USA, Japan or China. Opposition within the EU is expected from Greece and Cyprus.

CO<sub>2</sub> emission from ships is not the only problem. The sulphur content of

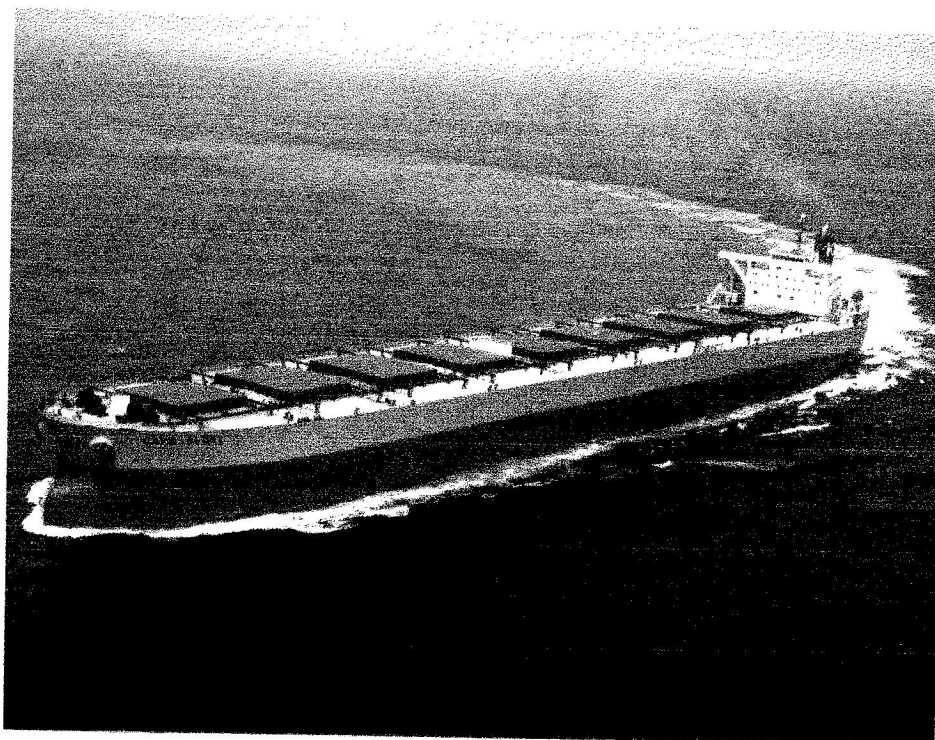


Photo: «K» Lire

Ships are regarded as an environment-friendly mode of transport. Nevertheless, they also cause pollution.

marine fuel, which is mixed with heavy grades of oil, is particularly bad for the environment. The sulphur content of fuel that is used on shore is restricted to 0.001%, but 2.7% is customary in marine fuel. Ship engines would have to undergo an expensive conversion process in order to use fuel with a low sulphur content.

Tiefensee wants to take the first step and define regions where emissions are restricted in the Baltic Sea and North Sea. Only vessels that do not exceed an upper sulphur emission limit will be allowed to operate in these zones. In addition, Tiefensee appealed to the shipping industry to forego the use of heavy oil.

## A chance for progressive providers

The shipping industry admits to these problems, but points out that waterborne transport is significantly less problematic for the environment than other modes of transport. If the EU were to introduce higher

international standards, German maritime shipping service providers in particular would have better chances than many of their competitors, as the former usually deploy vessels that meet the latest technological standards. The European Community Shipowners' Association (Ecsa) feels positive about more stringent pollutant levels and emission trading, as long as the standards apply to third countries as well.

## Unusual trade for maritime shipping

Under the EU Commission's emissions trading scheme, a certain number of certificates will be allotted to CO<sub>2</sub> polluters. The total number of certificates has to be limited in order to ensure a reduction of the harmful gas. The operator of any ship that emits more CO<sub>2</sub> than the trading scheme allows, is obliged to purchase additional certificates. These can be sold when an operator succeeds in reducing emissions below the scheme's limits.

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