

Open letter from WSC CEOs to IMO Member State Governments

***CEOs of global container and roro carriers appeal to governments:
“Broad political action critical for shipping industry to meet climate challenge.”***

The UN International Maritime Organization (IMO) has set a goal for the international shipping industry to reduce its greenhouse gas emissions by at least 50% by 2050, and then to move to zero GHG emissions. Others have proposed more ambitious goals, including many of the companies that we lead. Because ships have a commercial lifespan of 20-30 years, we need to start putting low-carbon and no-carbon ships on the water as soon as possible to reach the IMO goals. But to get there we need regulatory support from more UN IMO Member States.

Shipping will decarbonise, and the industry is committed to getting the job done. Today, there is no zero-emission solution to propelling merchant ships across the oceans. There are several potential solutions, such as green ammonia or e-fuels produced from renewable energy, but the technologies to use these fuels do not yet exist in a scale or form that can be applied to large transoceanic ships. Equally important, the research and development efforts currently under way are not sufficient to deliver the future fuels and technologies as quickly as we need them.

Recognizing this R&D gap, the industry has proposed to the IMO a new, industry funded, research and development effort. The International Maritime Research and Development Board (IMRB) is a USD 5 billion program, governed by the IMO, to coordinate and fund applied R&D and prototype development to catalyse the introduction of zero-carbon fuels and technologies in the maritime sector. Studies show that this dramatic increase in funding would enable the development of commercially viable low-carbon/no-carbon ships by the early 2030s.

Ten IMO Member States are currently co-sponsors of the IMRB proposal. Their participation has already improved and strengthened the program, and we now appeal to all governments to support this innovation drive. The IMRB is a win for the climate and for society:

1. It provides a global solution to a global problem of shipping emissions – all nations will have access to the IMRB’s work and the technologies that it advances.
2. Everything we do now to accelerate R&D will reduce the ultimate cost to society of decarbonisation by identifying promising technologies early and avoiding stranded investments.
3. If carbon pricing is to deliver results, there must be zero-carbon options. The IMRB will make these options available, and the sooner we do that essential research and development work, the more effective any carbon pricing tool will be. It is not either/or. It is both/and.

We are committed to decarbonisation and ready to do our part. The international maritime transportation system drives the world economy. World trade and the world’s economies cannot afford a chaotic decarbonisation of shipping. Nor can time be lost in effectively tackling the challenge. We therefore invite all governments to show engagement and climate leadership on the international stage, through support for the IMRB at the UN IMO. The shipping Industry is willing to take the cost and do the work, but we can only move forward with your support. Help us take action to develop the technologies to meet the climate challenge.

Sincerely,

Jae-hoon Bae, President & CEO, HMM

Randy Chen, Vice-Chairman, Wan Hai Lines

Cheng-Mount Cheng, Chairman, Yang Ming Marine Transport Corp

Matthew J. Cox, Chairman & CEO, Matson Inc.

Thomas B. Crowley, Owner & CEO, Crowley Maritime

Eli Glickman, President & CEO, ZIM Integrated Shipping Services Ltd.

Rolf Habben Jansen, CEO, Hapag-Lloyd AG

Tim Hartnoll, Executive Chairman, X-Press Feeders Group

Eric Hsieh, CEO, Evergreen Marine Corp. (Taiwan) Ltd.

John Kirkland, CEO and Owner, Independent Container Line (ICL)

Hitoshi Nagasawa, President, Nippon Yusen Kaisha (NYK)

Jeremy Nixon, CEO, Ocean Network Express

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