



AAL takes early stance on the EU's New Year carbon emission trading rules

posted by AJOT | Nov 22 2023 at 12:34 PM

AAL Shipping (AAL) has become the first project heavy lift carrier to publish a carbon surcharge guidance to help its customers prepare for the increased costs related to forthcoming European Union regulations on carbon emissions.

The move comes ahead of the extension of the EU Emissions Trading System (EU ETS) to cover the maritime industry, affecting shipping lanes between Europe and the rest of the world from 1st January 2024 with fixed charges for every ton of CO2 emitted.

With these additional costs directly attributed to multipurpose cargo operations, AAL has developed what it has termed an 'EU ETS Surcharge' (EUETSS), that will be applied to cargo loaded, or already onboard, an AAL operated vessel sailing either to or from a European port from 2024.



AAL has become the first project heavy lift carrier to publish a carbon surcharge guidance to comply with the EU Emissions Trading System (EU ETS).

The EUETSS, which launched in August, will track the current EU Emissions Trading Price as well as average vessel consumption and cargo volume.

It will apply per Revenue Ton to Part Cargoes on AAL's regular trading routes to and from the European continent and be quoted separately from normal freight rates.

For full and complete cargoes, AAL intends to calculate a surcharge based on estimated / actual voyage emissions.

The EU ETS is the world's first carbon market - launched in 2005 and designed to help reduce greenhouse gas emissions cost effectively.

From 1st January 2024, the scheme will require all ship operators sailing to or from a European port to monitor and report their emissions, with purchase allowances surrendered as additional charges for every ton of CO2 emitted.

"As the industry continues towards greater sustainability and oversight, it is incumbent upon us to ensure that our customers and other supply chain partners remain ahead of the game and kept fully apprised of how changing regulations will impact their cargo movements. AAL will carefully monitor and share any adjustments on a quarterly basis," said Felix Schoeller, AAL Director and Head of the carrier's Sustainability Committee.

He added: "The EU ETS is an important step in protecting the environment in which we operate. This surcharge guidance comes on the heels of our latest Sustainability Report in 2022 that we released publicly in August and is our latest initiative in setting a new precedent for greater sustainability across the global multipurpose shipping sector."