



# **MSC, Maersk, CMA CGM, Hapag-Lloyd and Wallenius Wilhelmsen call for an end date of fossil-only powered newbuilds**

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The CEOs of leading global shipping lines, MSC, Maersk, CMA CGM, Hapag-Lloyd and Wallenius Wilhelmsen, issued a joint declaration at COP 28 on Friday calling for an end date for fossil-only powered newbuilds and urging the International Maritime Organization (IMO) to create the regulatory conditions to accelerate the transition to green fuels.

The only realistic way to meet the new targets set out by IMO this year is to transition from fossil to green fuels at scale and at pace, the five CEOs argued in a joint statement, which has the backing of Emmanuel Macron, the French president among others.

The joint declaration calls for the establishment of four regulatory cornerstones starting with an end date for newbuilding of fossil fuel-only vessels and a clear greenhouse gas (GHG) intensity standard timeline to inspire investment confidence, both for new ships and the fuel supply infrastructure needed to accelerate the energy transition.

Secondly, they have called for an effective GHG pricing mechanism to make green fuel competitive with black fuel during the transition phase when both are used. This can be done by distributing the premium for the green fuels across all the fossil fuel used. With low initial volumes of green fuels any inflationary effects are minimised. The mechanism must also feature an increasing regulatory incentive to achieve deeper emissions reductions. Furthermore, beyond covering the green balance fee, revenue generated by the mechanism should go to an RD&D fund and to investments in developing countries to ensure a just transition that leaves no one behind.

The five men have also called for a vessel pooling option for GHG regulatory compliance where the performance of a group of vessels could count instead of only that of individual ships, ensuring investments are made where they achieve the greatest GHG reduction and thereby accelerating decarbonisation across the global fleet.

Finally, they have demanded a well-to-wake or lifecycle GHG regulatory basis to align investment decisions with climate interests and mitigate the risk of stranded assets.

"Our collective responsibility for a sustainable future and clean practices is paramount," commented Rolf Habben Jansen, CEO of Hapag-Lloyd

"The support of governments across the world will be an essential element to reach our common goal and among those efforts we want to see an end to delivery of ships that can only run on fossil fuels," said Soren Toft, CEO of MSC, while his counterpart at Wallenius Wilhelmsen, Lasse Kristoffersen, urged for a global regulatory framework to match the ambition of the five companies to drive the investments needed at a global scale.