UK to include shipping in its emissions trading scheme from next year

Sam Chambers

March 25, 2025

DP World London Gateway

The shipping sector will be brought under the UK Emissions Trading Scheme (UK ETS) from next year under new green maritime plans unveiled today which will see vessels soon use future fuels and plug into charge ports as part of the UK's new goals for shipping operators to reach net zero by 2050.

Maritime minister, Mike Kane, said: "We're committed to making the UK a green energy superpower and our maritime decarbonisation strategy will help us build a cleaner, more resilient maritime nation."

Rhett Hatcher, CEO of the UK Chamber of Shipping, said: "The government's strategy must now be matched by delivering the regulatory framework, technology and infrastructure, including a shore power revolution, required to support the green transition for UK maritime, bringing benefits to maritime communities and the UK economy."

Under the new strategy operators of larger vessels such as tankers and cruises will pay more for their greenhouse gas emissions. The strategy also sets out plans to reduce emissions from shipping and increase the use of clean fuels and technologies, such as hydrogen, electric or ammonia vessels.

Under the new strategy operators of larger vessels such as tankers and cruises will pay more for their greenhouse gas emissions. The strategy also sets out plans to reduce emissions from shipping and increase the use of clean fuels and technologies, such as hydrogen, electric or ammonia vessels.

"With global shipping accounting for 2% of all emissions, the UK will push for high ambitions at the UN's next meeting of the International Maritime Organization in April, as it develops important measures to reduce emissions from global shipping," the government said in a statement.

Since January 2024, the EU's Emissions Trading System (EU ETS) has been extended to cover CO2 emissions from all large ships of 5,000 GT and above entering EU ports, regardless of the flag they fly.

The system covers: 50% of emissions from voyages starting or ending outside of the EU allowing the third country to decide on appropriate action for the remaining share of emissions; 100% of emissions that occur between two EU ports and when ships are within EU ports.

The scheme covers CO2, methane and nitrous oxide emissions, but the two latter only as from 2026.

Shipping companies must surrender their first ETS allowances by end-September 2025 for emissions reported in 2024. The share of emissions that must be covered by allowances gradually increases each year. For 2025, 40% of emissions reported for 2024 must be covered by emission allowances.

Last year, Turkey advanced its own emissions trading scheme (ETS) for shipping, mirroring the European Union's ETS. The Turkish policy, pending presidential ratification, is designed to align with EU regulations and reflects a broader trend where Turkish and North African ports have seen increased traffic as ships attempt to sidestep the EU's stringent emission rules.

The pilot phase is expected to start this year, while the first phase of implementation should last from 2027 to 2034.