

European Community Shipowners' Associations



ECSA SEMINAR 06/03/07 – Shipping the environment friendly transport mode J.C.LYRAS

Ministers,
Secretaries of State,
Members of the EU Institutions,
Dear Guests,
Dear Colleagues,

It is acknowledged that shipping is the most energy efficient and environment friendly mode of transport in Europe. You will note from the power points that shipping has, compared to other modes, a good record on atmospheric pollutants and energy consumption particularly on a ton per kilometer basis.

Nevertheless, the shipping industry is aware of the unprecedented pressure both in the EU and internationally on the industry to conform to lower limits than those recently made mandatory by MARPOL Annex VI.

It is against this background that the shipping industry is committed to further improving its environmental performance where there is a quantifiable benefit backed up by thorough impact assessments. In the Council conclusions on short sea shipping of December 2006 the environment friendly character of short sea shipping was reiterated. Nevertheless, to maintain the environment friendly image of emissions of short sea shipping, it was stressed by the Council that improvements should be sought specially in the areas of SO_x, NO_x and particulates. **The Council stressed that to this end, work should be intensified at the appropriate fora in particular in the IMO.**

ECSA believes that international solutions offer the most sustainable long term way forward and notes that more stringent global controls on emissions are being actively addressed in the current review of MARPOL Annex VI. It also notes that discussions

on CO₂ emissions in the context of Kyoto Protocol targets will also take place at the IMO.

The shipping industry is fully committed to taking a constructive and proactive stance in the revision of MARPOL Annex VI. In the EU context, ECSA has long been urging that Member States ratify Annex VI. Such efforts have been taken against the background that the entry into force of MARPOL Annex VI (May 2005) would have the positive consequence of opening up the Convention to amendment.

As I already mentioned, credible long term action must be based on sound environmental, technical, economic and social assessments. All measures to reduce maritime emissions must be as cost-effective as possible. A lot of fuss was created in the shipping press on suggestions to use only distillate fuels by 2010 with a global sulphur cap of 1 %. For the general public this will sound nice and simple. I am afraid that reducing emissions overall is not as simple as suggested.

Air pollution is a complex issue and reducing emissions on one particular pollutant may have a negative effect on other pollutants such as Green House Gases (GHGs). It is laudable that suggestions are made to launch a discussion, however, a relevant scientific analysis should be made before jumping to conclusions. The industry therefore believes that a holistic international approach to find an overall environmental benefit for the long term is the only solution.

Particular account should be taken of the global availability of new fuels required and cost implications for transportation by sea on which the world relies for 90% of its goods. Where new technology is introduced as a requirement, it is crucial to ensure that it has been fully developed and is reliable.

Key question is whether the oil industry will be able to deliver such fuels on economic conditions without increasing refinery emissions and how will the residues be disposed of? Are the oil companies being asked these questions and if not why not? Moreover, any measures introduced should not result in a modal shift in Europe from waterborne transport to less environment friendly modes of transport.

EU Member States have a significant individual influence in IMO and ECSCA would urge that such influence is used to promote the action described and, particularly, to ensure that measures put forward are fully backed up by credible evidence of environmental need. The Commission and more particularly EMSA can play an important role in that regard.

The shipping industry is committed to further improving its environmental performance. By having this proactive stance, it is continuously assessing the different options available to the industry to reduce air emissions. Having undertaken this exercise, the following conclusions have so far been reached:

Firstly, there are promising developments taking place with regard to technologies to reduce SO₂, NO_x, PM and VOC emissions. Such developments should be promoted and fully exploited. For example, improved fuel treatment and use of scrubbing of exhaust gases will ensure that only the minimum levels of harmful gases are released in the atmosphere.

Secondly, there are developments taking place in EU and IMO which may provide alternatives to the traditional “command and regulate” approach. The new possibilities created by those instruments should be preferred to new regulations, especially regional regulations, when the same or better environmental results can be achieved.

Thirdly, there is no single option available to the industry that will be suitable for all types of ship and the variety of trades in which they operate.

Fourthly, it is important for the international and EU framework to allow flexibility for the industry to find the most cost effective solutions.

Fifthly, existing legislation should be implemented as soon as possible and new legislation should only be brought forward after proper assessment as I mentioned before, and when there is a clear environmental added value.

There have been critical voices raised in the EU about the cost/benefit of R&D. I believe, however, that this is an area where research and development can contribute a lot if dealt with in a targeted way so that the most effective solutions overall are adopted.

The European shipping industry shares the overall objective of the Thematic Strategy on the Protection and Conservation of the Marine Environment. As recognised by the Lisbon strategy, sustainable development must be accompanied by the goals of promoting competitiveness and economic growth and development across Europe. In the latter regard, the principle of freedom of navigation is a fundamental requirement for free trade and competition together with unrestricted port access.

The industry further acknowledges that from an environmental point of view, it may be sensible to subdivide the overall marine area of EU into regions in order to establish what is required for each region (the so called marine spatial planning), acknowledging that what is necessary or best in one region may not be necessary in another region.

However, from the perspective of international shipping, having ships operating in all regions, it is important to ensure that this approach does not result in a complex of varying rules for shipping within the EU. Such a situation would not be operationally feasible for the shipping industry.

Environmental considerations play an important part in decisions on expansion of ports and creating the necessary hinterland connections. This is understandable, nevertheless, it has to be taken into account that intermodal shipping services are indispensable for the European and Global trade and for the daily lives of EU citizens.

In many ports in Europe there is congestion due to lack of port capacity and appropriate and well functioning hinterland connections. This results in costly delays, missing berthing slots in subsequent ports, higher fuel consumption to make up schedules, missed intermodal connections resulting in a serious distortion in the supply chain.

Under the current forecast scenarios, European and world trade will continue to grow at even higher rates than experienced up to now. We therefore feel that whilst recognising the importance of environmental considerations, the public interest i.e. the indispensable character of ports and hinterland connections should be the starting point in a discussion on extensions of ports and of enhancing hinterland connections.

Legal certainty on the interpretation of existing legislation such as the Birds and Habitat Directive should also be established, thereby avoiding delaying of projects as has been the case several times in the past.

Let me conclude by restating that the shipping industry wants to maintain the position of being the most environmental friendly transport mode. To this end a proactive approach is being adopted. The environment is and has to be dealt with on a global basis this is particularly the case for shipping being a de facto global industry. In order to have a credible and long term environmental benefit action must be based on sound environmental as well as a socio-economic assessment.

Thank you for your attention

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