

Tuesday, November 26, 2024

Upcoming Changes in EU ETS Regulation

Dear valued Customer,

We would like to inform you about significant regulatory changes coming into effect in 2025 that will impact shipping companies operating in the European Union. These changes, driven by the **Fuel EU Maritime Regulation** and the expansion of the **European Union Emissions Trading System (EU ETS)**, will introduce stricter requirements for maritime operations. Below is an overview of the key updates.

European Union Emissions Trading System (EU ETS)

From 2025, compliance costs under the EU ETS will increase due to:

1. **Higher required emission allowances:** Shipping companies will need to surrender allowances for **70% of reported emissions**, up from 40% in 2024, as part of the phased EU ETS implementation.
2. **Rising prices for emission allowances:** With a reduced supply of allowances, the cost of compliance is expected to grow.

Fuel EU Maritime Regulation

Taking effect on **January 01, 2025**, the Fuel EU Maritime Regulation is part of the EU's "Fit for 55" initiative to reduce greenhouse gas (GHG) emissions by **55% by 2030**. Key highlights include:

- **GHG Intensity Limits:**
 - Ships over 5,000 gross tonnage calling at European ports must adhere to limits on the annual average GHG intensity of energy used.
 - These limits apply to **CO₂, methane, and nitrous oxide emissions** across the entire fuel lifecycle.
 - A **2% reduction** will be required by 2025, progressing to an **80% reduction by 2050**.
- **Promotion of Cleaner Energy:**
 - Encourages the use of renewable and low-emission fuels and alternative onboard energy technologies.
 - By 2030, ships at TEN-T network ports must use **onshore power supply (OPS)** or other zero-emission technologies while at berth. This requirement will extend to other ports by 2035.

Estimated Emission Surcharge Levels for 2025

The emission surcharge for 2025 is expected to nearly double compared to 2024. Exact surcharge levels for Q1 2025 will be announced in **December 2024**, approximately 30 days prior to implementation.

If you have any questions, please get in touch with your known contact person in the Leschaco Group.

Customer Advisory



Forwarding is our passion. Since 1879.

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Kind regards

Leschaco (Lexzau, Scharbau GmbH & Co. KG)

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Disclaimer

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