



Industrial Maritime Strategy must earmark national ETS revenues to support the availability of clean fuels for shipping

The energy transition of the shipping sector is vital to Europe's climate goals and industrial leadership. European shipping is a strategic sector for Europe, carrying 76% of the EU's external trade and ensuring security of supply of energy, food and goods.

Access to clean maritime fuels is a top priority for the decarbonisation of the shipping sector. The Draghi report on the "Future of European Competitiveness", which set the stage for the Clean Industrial Deal, identifies shipping as one of the most difficult sectors to decarbonise, requiring around €40 billion in annual investments between 2031 and 2050. As such, shipping has been recognised in the Clean Industrial Deal as a priority sector to be supported on its path to the deployment of renewable and low-carbon fuels. This is an opportunity to develop a robust European industrial base for clean maritime fuels, which is essential to make clean fuels available and secure Europe's leadership in clean tech and clean fuels for the energy transition.

The Platform stresses that building a reliable supply chain for renewable and low-carbon fuels in Europe is a priority to make the European industrial cluster more competitive, to provide shipping with the clean fuels needed for the energy transition and to strengthen Europe's energy security.

However, the deployment of renewable and low-carbon fuels projects today faces significant uncertainties that hinder public and private investment and increase project risks. These include complex regulatory framework, technological risks and high upfront capital requirements that disadvantage first movers. Producers require long-term contracts at prices sufficient to remunerate their investment, while users can only commit to shorter-term contracts for smaller fuel volumes. Together, these factors create high

production costs, financial risks and uncertainty, which are not sufficiently addressed by the current tools the European Commission provides – notably the EU Hydrogen Bank and Innovation Fund.

Realising these shortcomings, the European Commission recently emphasised that Member States should step up and reinvest all their Emission Trading System (ETS) revenues in industrial decarbonisation. Additionally, the recent Sustainable Transport Investment Plan highlights the needs and challenges of the maritime sector, particularly relating to ETS revenues.

The upcoming European Industrial Maritime Strategy should strongly support the deployment of the supply chain for renewable and low-carbon fuels in Europe and strengthen European competitiveness and energy security by accelerating integration and diversification of renewable and low-carbon fuel markets, including reducing regulatory complexity.

To address these challenges, we urge the European Commission to:

1. Include **renewable and low-carbon fuels and innovative technologies for shipping**, one of the most difficult-to-decarbonise sectors of the economy, in the scope of the upcoming European Industrial Maritime Strategy.
2. **De-risk investments** using EU and national ETS revenues. National ETS revenues should be invested in scaling up clean maritime fuels and clean maritime technologies, while ensuring their accessibility across all shipping sectors. **Earmarking national ETS revenues from shipping** in the maritime sector should be introduced, as long as the shipping sector continues to pay for its emissions under the EU ETS.
3. Facilitate the role of **ports as energy hubs** for the energy transition.
4. Enhance coherence between EU ETS and FuelEU Maritime requirements, contributing to the Commission's **simplification** objectives to reduce reporting burdens by 25% (35% for SMEs).

We look forward to working with policymakers to design this Strategy to drive competitiveness and to support the energy transition of the economy.

Who we are

The Clean Maritime Fuels Platform is a bottom-up industry initiative aiming to enhance communication between the shipping sector and fuel producers and to identify common challenges and possible solutions, considering the implementation of the Fit for 55 package and the transition to a net-zero economy by 2050.