

**ROOM VIII, Building E**  
**Palais des Nations, Geneva**  
**10-12 May 2016**



**Oceans economy and trade:**  
Sustainable fisheries, transport and tourism



## **Shipping Industry Approach to Sustainable and Resilient Transport**

**Mr. Simon Bennett**

Director Policy & External Relations, International Chamber of Shipping (ICS)

# Shipping Industry Approach to Sustainable and Resilient Transport

UNCTAD, Geneva, 12 May 2016

Simon Bennett

International Chamber of Shipping (ICS)



# International Chamber Shipping

- ⇒ Global trade association for ship operators
- ⇒ Represents shipping at IMO, ILO, UNFCCC etc.
- ⇒ 37 national shipowners' associations, over 80% of world merchant fleet



# Agenda Today

- ➔ Environmental Sustainability,  
(Key challenges)
- ➔ Response to Paris Agreement
- ➔ UNCLOS Implementing  
Agreement





# UN Sustainable Development Goals and Shipping



# UN 'Rio + 20' Summit (June 2012)

*'Poverty eradication is the greatest global challenge and indispensable to sustainable development.'*

Statement by Heads of State



# Key Shipping Message at 'Rio + 20'

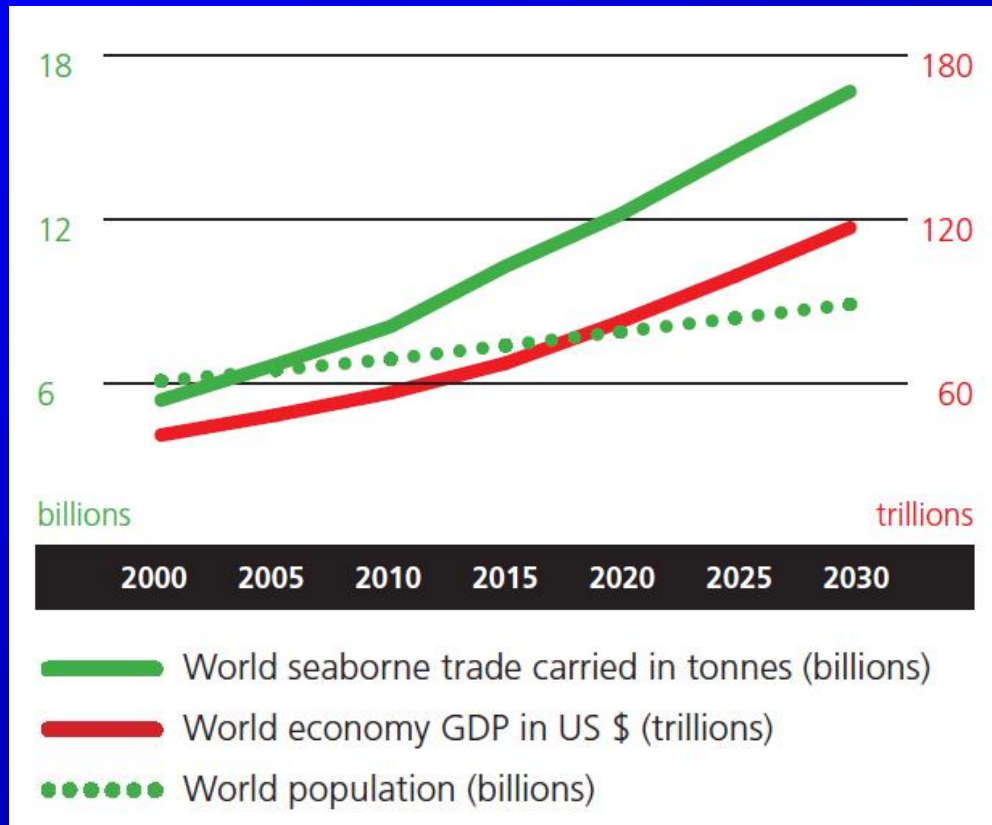


90% carriage of world trade facilitates economic growth and spread of prosperity



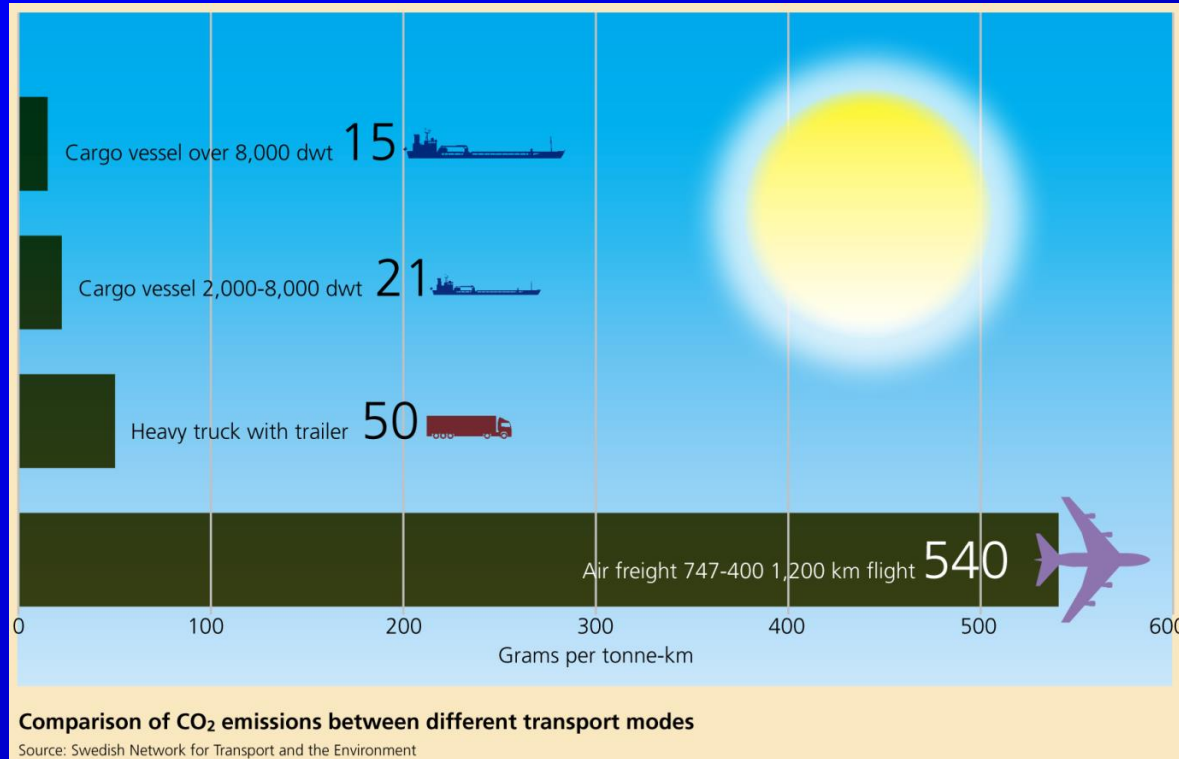
# Maritime Trade Will Continue to Expand (along with Global GDP and Population)

Sources: IHS, OECD, UN





# Shipping is a Driver of 'Green Growth'



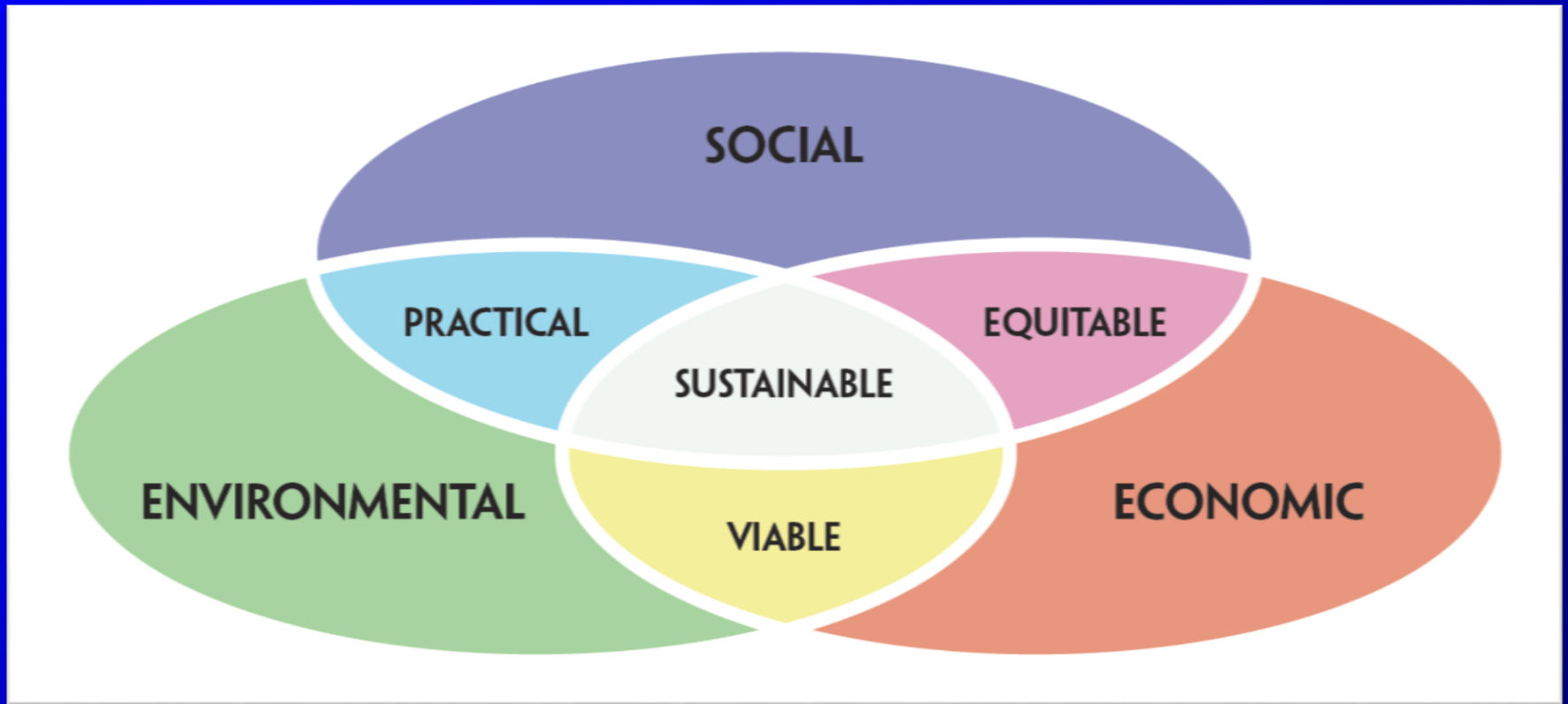
Shipping is the most *carbon efficient* form of commercial transport

# But Cost Efficient Maritime Transport Should NOT Be Taken for Granted....

New environmental  
regulation should be  
subject to full cost  
benefit analysis....



# The Three Pillars of Sustainability and Shipping



# Environmental Sustainability

Shipping committed to  
*continuous improvement*  
through IMO MARPOL  
Convention (and other  
instruments)

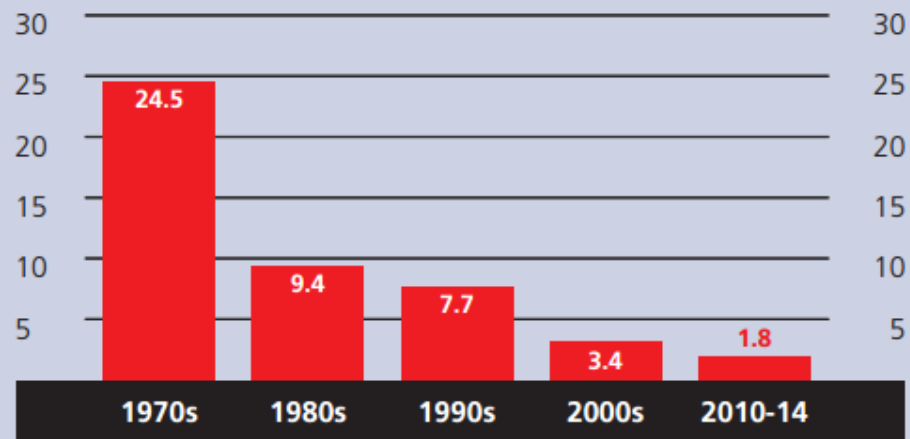




# Reduction in Oil Spills

## REDUCTION IN MAJOR OIL SPILLS

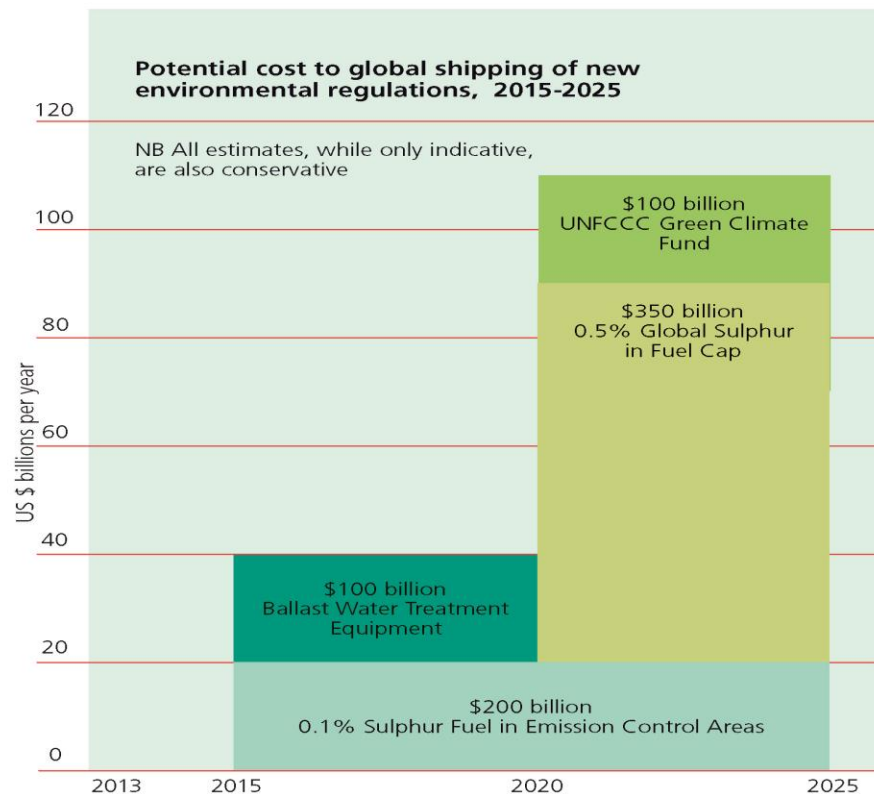
Average number of major oil spills per year (over 700 tonnes)



Source: ITOPF



# Hundreds of *Billions* of US Dollars in Environmental Improvements



ICS Estimates

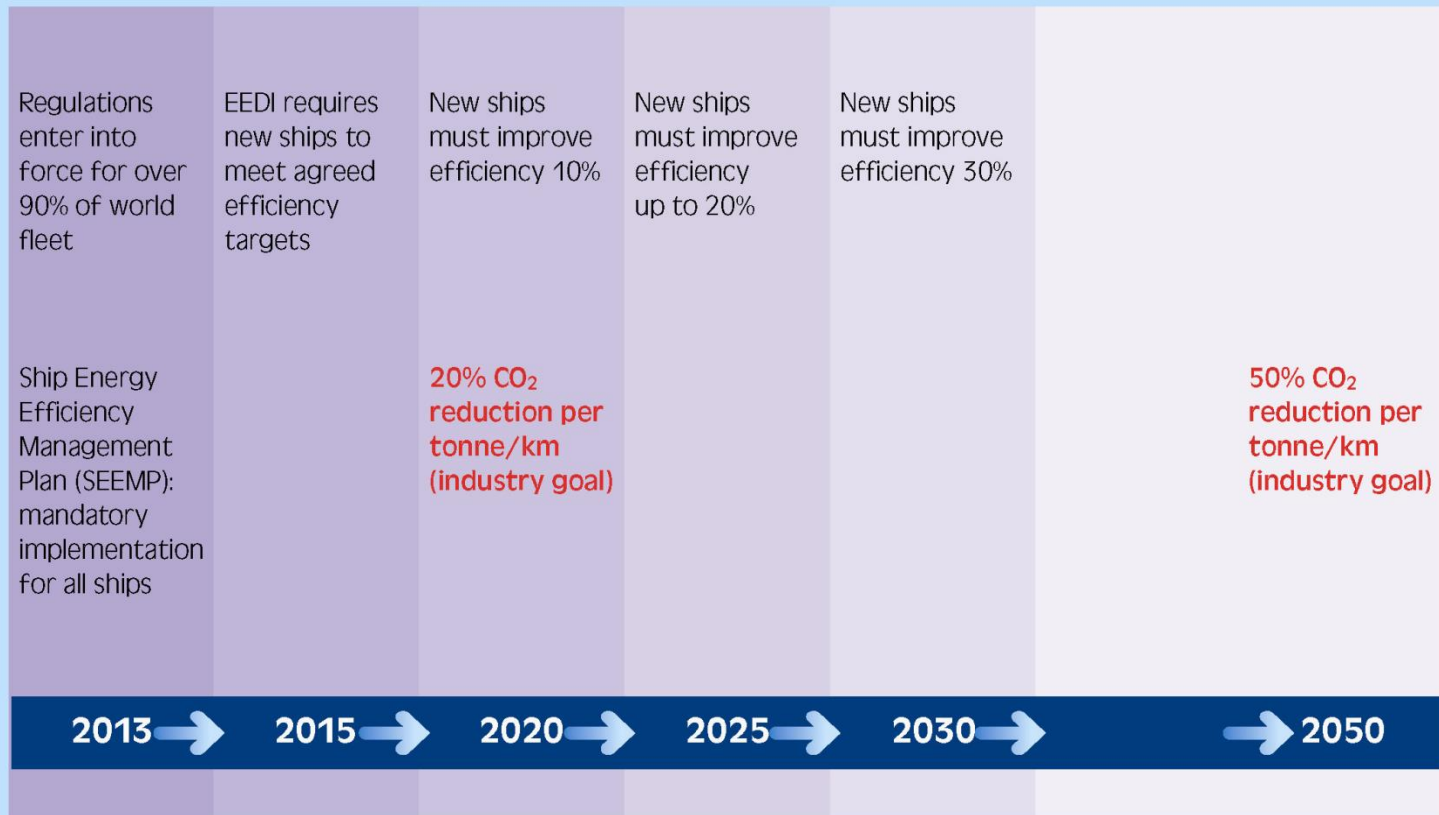
# Reduction in Shipping's CO<sub>2</sub>



10% total reduction (2007-2012)

## IMO agreement on technical regulations will reduce ships' CO<sub>2</sub>

MARPOL Annex VI, Chapter 4 adopted July 2011



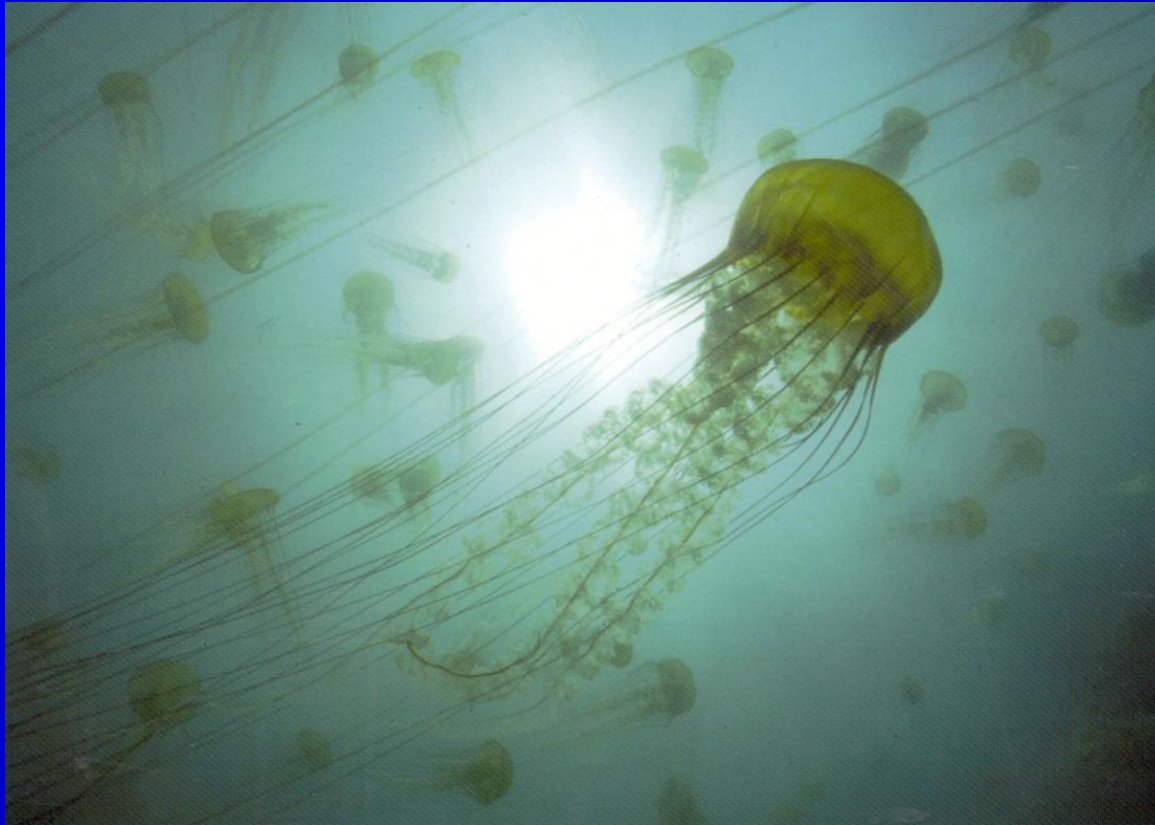


# Switch to Low Sulphur Fuel

- ⇒ 50% price increase
- ⇒ Expected cost to industry over **US\$50 Billion** a year
- ⇒ Major impact on economic sustainability of shipping



# IMO Ballast Water Management Convention



Treatment equipment – \$US100 Billion

# Economic and Environmental Sustainability are Equal Priorities

Shipping must be *commercially viable* to deliver the *billion dollar investments* in environmental improvements sought by regulators and society



# Responding to the Paris Agreement

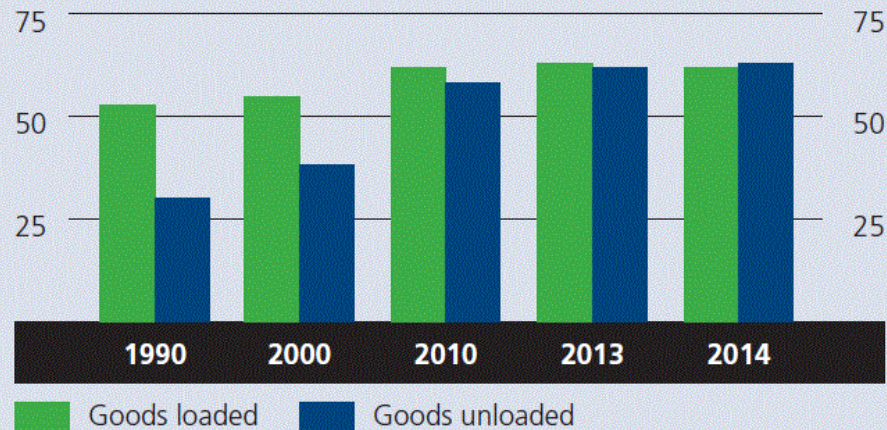




# Developing Nations' Share of Maritime Trade

## DEVELOPING COUNTRIES' SHARE OF GLOBAL SEABORNE TRADE (BY VOLUME)

% of global goods loaded/unloaded at developing countries' sea ports



Source: UNCTAD Review of Maritime Transport 2015



# ICS Has Proposed that IMO Develops:

*An Intended IMO Determined  
Contribution to reduce CO<sub>2</sub>*  
(mirrors UNFCCC INDCs)



# A Market Based Measure (MBM) to Reduce CO<sub>2</sub>?

If IMO develops an MBM

Preference of Shipping is for  
**Fuel Levy**



# Reconciling CBDR with IMO global rules?

Fuel Levy could be used to support projects in developing countries to satisfy CBDR, e.g. climate resilience of ports





# Question

Adaptation or Mitigation?



# New UNCLOS Implementing Agreement?

- ➔ Recommendation for tools such as 'High Seas' Marine Protected Area
- ➔ Care needed with respect to current balance of flag, coastal and port State rights & obligations



Thank you

