# Shipping industry’s cautious stance threatens IMO’s ambitious 2030 emission targets



The shipping industry is at a pivotal juncture as it grapples with the dual challenges of environmental responsibility and economic viability. A recent report by a clean shipping coalition indicates that while the sector has adopted mid-term policy measures supporting long-term decarbonisation, many stakeholders remain in a "wait and see" mindset regarding investments in emission-reducing technologies. This cautious approach is notable given that the International Maritime Organization (IMO) has set ambitious targets for the industry: a 30% reduction in greenhouse gas emissions by 2030, an 80% reduction by 2040, and complete decarbonisation by 2050.

The Clean Shipping Coalition's findings echo concerns about the shipping sector's role in climate change, pollution, and biodiversity loss. According to their analysis, transformative changes are essential throughout the entire shipping ecosystem to meet the IMO’s stringent goals. The focus is not only on compliance but also on mitigating the significant impacts the industry has on global temperatures and ocean health. The call for urgent action underlines the necessity for more than just interim measures; comprehensive strategies must be developed to fundamentally alter how the industry operates.

A report from UCL’s Energy Institute, in collaboration with the Getting to Zero Coalition and UN Climate Change High-Level Champions, adds further urgency to this discussion. It highlights that the shipping industry is currently off track to achieve the IMO's target of having zero- or near-zero emission fuels make up 5% to 10% of shipping fuels by 2030. The data suggests that the production of scalable zero-emission fuels is inadequate, prompting questions about the industry's commitment to its own decarbonisation targets. This indicates a paradox where declared intentions to pursue sustainability conflict with the practical steps being taken in fuel technology and investment.

The UN Global Compact’s 'Set Sail for Zero' initiative illustrates a structured effort to promote a just transition to a greener shipping industry. The initiative advocates for robust policy frameworks that will facilitate the integration of zero-carbon fuels and technologies. Such frameworks are crucial, as they underpin the strategic investments needed for compliance with the IMO's revised greenhouse gas strategy. This approach aims to balance ecological imperatives with the industry's economic realities, emphasizing a people-centric transition that can garner broader support within the sector.

Moreover, the financial implications of these changes cannot be overlooked. The latest annual report from the Poseidon Principles reveals that financing aligned with the IMO's decarbonisation strategy is essential to support the transitions required. The report acknowledges the critical role ship finance plays in driving the industry towards achieving net-zero emissions by around 2050. Signatories to the Principles are encouraged to revise their methodologies in line with these new targets, signalling a growing recognition among financial stakeholders of their responsibility in this transition.

Despite these frameworks and initiatives, the overarching sentiment within the industry remains one of caution. A report by Shell and Deloitte found that while 95% of senior shipping executives recognise decarbonisation as a top priority, a substantial proportion are still hesitant about committing to concrete investment decisions. This reluctance is likely fuelled by uncertainty around future regulations, the financial viability of new technologies, and the broader market conditions that have been impacted by global economic shifts.

As the shipping industry stands on the brink of fundamental change, the continued focus on collaborative solutions and transformative actions will be crucial. Without immediate and decisive measures, it risks failing to meet the aggressive decarbonisation deadlines set by the IMO, underscoring the need for a paradigm shift in both policy and operational practices within the sector. The path ahead requires not only innovative technologies and funding but also a shared commitment to a sustainable future that reconciles economic objectives with pressing environmental responsibilities.

## Reference Map:

* Paragraph 1 – [[1]](https://carbon-pulse.com/402008/), [[4]](https://unglobalcompact.org/take-action/ocean/communication/decarbonizing-shipping)
* Paragraph 2 – [[2]](https://cleanshipping.org/publication/the-state-of-shipping-oceans-report/), [[6]](https://seas-at-risk.org/press-releases/one-planet-shipping-report-provides-blueprint-for-clean-shipping-as-decarbonisation-deadline-looms/)
* Paragraph 3 – [[3]](https://www.ucl.ac.uk/bartlett/energy/news/2024/sep/new-report-shows-shipping-track-meet-5-zero-emission-fuel-target-2030), [[5]](https://www.cleanshippinginternational.com/ship-finance-keeping-up-with-decarbonisation-goals-says-poseidon-principles/)
* Paragraph 4 – [[7]](https://globalmaritimeforum.org/news/shipping-sector-prioritises-five-solutions-for-decarbonisation/)

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## Bibliography

1. <https://carbon-pulse.com/402008/> - Please view link - unable to able to access data
2. <https://cleanshipping.org/publication/the-state-of-shipping-oceans-report/> - The Clean Shipping Coalition's 'The State of Shipping & Oceans Report' examines the environmental impact of the shipping industry, highlighting its contribution to climate change, pollution, and biodiversity loss. The report underscores the need for transformative changes across the shipping ecosystem to meet the International Maritime Organization's (IMO) decarbonisation goals of reducing greenhouse gas emissions by 30% by 2030, 80% by 2040, and achieving complete decarbonisation before 2050. It calls for urgent action to align the industry with these targets and address the environmental challenges posed by shipping activities.
3. <https://www.ucl.ac.uk/bartlett/energy/news/2024/sep/new-report-shows-shipping-track-meet-5-zero-emission-fuel-target-2030> - A report from the UCL Energy Institute, the Getting to Zero Coalition, and UN Climate Change High-Level Champions reveals that the shipping industry is off track to meet the International Maritime Organization's (IMO) target of having zero- or near-zero emission fuels constitute 5% to 10% of all shipping fuels by 2030. The report indicates that current production and vessel orders for scalable zero-emission fuels are insufficient to meet this goal, highlighting the need for accelerated action to achieve the 2030 target and ensure the industry's 2050 net-zero objectives.
4. <https://unglobalcompact.org/take-action/ocean/communication/decarbonizing-shipping> - The UN Global Compact's 'Set Sail for Zero' initiative focuses on advancing a people-centred, just transition to a green shipping industry. In July 2023, governments adopted a Revised GHG Strategy at the International Maritime Organization (IMO), setting targets for net-zero emissions by 2050, with interim reductions of up to 30% by 2030 and up to 80% by 2040. The initiative emphasises the need for clear, ambitious policy frameworks to support the adoption of zero-carbon fuels and technologies in the shipping sector.
5. <https://www.cleanshippinginternational.com/ship-finance-keeping-up-with-decarbonisation-goals-says-poseidon-principles/> - The 2023 annual report from the Poseidon Principles, a framework for assessing the climate alignment of ship finance portfolios, indicates that signatories are aligning their methodologies with the International Maritime Organization's (IMO) revised greenhouse gas strategy. This includes the goal of achieving net-zero emissions by or around 2050, with emission reduction milestones in 2030 and 2040. The report highlights the importance of ship finance in supporting the shipping industry's decarbonisation efforts and the need for continued progress towards these targets.
6. <https://seas-at-risk.org/press-releases/one-planet-shipping-report-provides-blueprint-for-clean-shipping-as-decarbonisation-deadline-looms/> - Seas At Risk's 'One Planet Shipping' report provides a blueprint for clean shipping as decarbonisation deadlines approach. The report warns that without transformative changes across the shipping ecosystem, the International Maritime Organization's (IMO) decarbonisation goals of reducing greenhouse gas emissions by 30% by 2030, 80% by 2040, and achieving complete decarbonisation before 2050 will not be met. It calls for urgent action to align the industry with these targets and address the environmental challenges posed by shipping activities.
7. <https://globalmaritimeforum.org/news/shipping-sector-prioritises-five-solutions-for-decarbonisation/> - A report by Shell and Deloitte identifies five priority solutions for the shipping sector to achieve decarbonisation. The report highlights that 95% of senior shipping executives view decarbonisation as important or a top-three priority for the industry, with nearly 80% noting its increased importance over the past 18 months. The findings underscore the industry's commitment to meeting the International Maritime Organization's (IMO) greenhouse gas ambitions and the need for collaborative efforts to overcome barriers to decarbonisation.