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To: All SSA Members

MESSAGE FROM SSA EXECUTIVE DIRECTOR: UPDATES FROM THE 72ND MEPC SESSION AT THE IMO

Dear Members,

I attended the 72nd MEPC session at the IMO together with the MPA as part of their delegates. Here is a quick summary:

IMO affirms their commitment that shipping industry will continue to self-regulate and to start reducing carbon emissions.

At the recently concluded 72nd MEPC session at IMO, the environmental committee has adopted the strategy on the reduction of Green House Gases (GHG) emissions from ships. A significant move by IMO as this signals ambitious plans to reduce GHG emissions consistent with the Paris Agreement for reduction on global temperature goals.

During the 72nd MEPC session, intense discussions were generated, as the working group was tasked to hammer out a roadmap that was aimed to satisfy all IMO member states. Notably, oppositions came from the US and Saudi Arabia, with both expressing reservations on Thursday. Much of the US reservations was on the Common but Differentiated Responsibilities and Respective Capabilities (CBDR+RC) principle and the Saudi Arabia's concerns were on the levels of ambitions.

Despite both countries reservations, a clear majority of the member states supported behind this strategy. Australia, China, EU member states, Japan, Liberia, Marshall Islands, Norway, and Singapore were among the first initial supporters.

On Friday April 13, IMO finally adopted the strategy, as it directs the shipping industry to reduce its total annual greenhouse gas emissions by at least 50% by 2050 compared to 2008, and a strategy revision to be set in 2023- which is timed for after 3 years of data being collected from shipping emissions.

Relevant excerpts from the adopted strategy on the level of ambition set by the IMO are:

1. Carbon Intensity of the ship to decline through implementation of further phases of the energy efficiency design index (EEDI) for new ships

-review with the aim to strengthen the energy efficiency design requirements for ships with the percentage improvement for each phase to be determined for each ship type as appropriate

2. Carbon intensity of international shipping to decline

-to reduce CO₂ emissions per transport work, as an average across international shipping, by least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008; and

3. GHG emissions from international shipping to peak and decline

-To peak GHG emission from international shipping as soon as possible and to reduce the total annual GHG emissions by at least 50% by 2050 compared to 2008 whilst pursuing efforts towards phasing them out as called for in the Vision as a point on a pathway for CO₂ emissions reduction consistent to the Paris Agreement temperature goals

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