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MSC boss warns on plans to reduce carbon emissions



EU plans to cut carbon emissions could drive up CO₂ produced by shipping industry, according to Soren Toft

The EU's plans to reduce carbon emissions could have the opposite effect, according to the head of the world's second-largest container carrier.

Speaking with the [Financial Times](#), Soren Toft, chief executive of the Mediterranean Shipping Company (MSC), said proposed EU measures would have the reverse effect of their intentions unless low carbon fuels were readily available.

This is because operators would be forced to slow down their vessels to meet the demand for cuts, creating the need for more new ships to maintain service levels.

"For us, it's very clear

that what they are proposing in absence of carbon neutral fuels will add more capacity, more containers, all of which needs to be financed, built in Asia, which will produce more emissions," said Toft.

However, Tristan Smith of the UCL Energy Institute said the notion EU carbon measures would increase the industry's emissions was "not credible".

"A ship's emissions from burning bunker fuel are far higher than those produced in construction, and other economic factors such as the oil price and freight rates determine ship speed," Smith told the [Financial Times](#).

Shipping produces 2.4 per cent of global CO₂ emissions

and is difficult to decarbonise because low-carbon fuels such as green ammonia or hydrogen are not widely available.

Dierderik Samsom, the European Commission official who heads the team in charge of the EU's green deal, said the emissions trading system would be the main mechanism used to help lower CO₂ in the shipping sector.

Carbon pricing, which allows emitters to buy permits to meet CO₂ targets, would provide a "real incentive for the [maritime] industry to decarbonise their fuel and decarbonise their whole operation," Samsom said at the [Financial Times' Future of Europe](#) conference.