



# Why is 2025 such an important year for shipping decarbonisation?

## A quick guide

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International shipping is the lifeblood of the global economy, transporting more than 80 percent of all goods. However, the same system that the world depends on for efficient transport comes with an environmental price. Maritime trade is responsible for about three percent of all global greenhouse gas (GHG) emissions. If the sector were a country, it would be the world's sixth-largest GHG emitter.

The work to decarbonise the shipping industry have been underway for several years now but will reach an inflection point in 2025. In April, the International Maritime Organization (IMO) is expected to agree on specific measures to realise the ambitions of its greenhouse gas reduction strategy and set the industry on the course to reach net-zero emissions by 2050.

### Which measures are expected?

In 2023, the IMO adopted a new strategy to reduce the climate impact of shipping. Its **2023 IMO Strategy on Reduction of GHG Emissions from Ships** calls for net-zero sector emissions "by or around 2050", sets ambitious indicative 2030 and 2040 checkpoints for emissions reductions, and introduces a target for zero- or near-zero-emission fuels and technologies to make up at least five percent, striving for ten percent, of the energy used by international shipping by 2030.

The IMO strategy included the provision that a "basket of mid-term GHG reduction measures" would be finalised and agreed upon in 2025. These measures are expected to include:

1. A technical element, likely a global fuel standard (GFS) to regulate the phased reduction of the GHG intensity of marine fuels
2. An economic element, such as a greenhouse gas levy to financially penalise emissions and incentivise the rapid uptake of less-polluting—but more expensive—alternatives

Although nothing is determined yet, the GFS is likely to steadily increase limits on the GHG intensity of fuels through 2050. Proposals for the levy range from \$18.75 to \$150 per tonne of carbon dioxide equivalent (tCO<sub>2</sub>e). Proposals recommend that funds raised via a levy should be used as subsidies to bring down the costs of zero-emission fuels, but this is still under debate. Furthermore, it is also proposed that the funds raised must help the most impacted countries manage the costs of the transition.

### Who will develop these measures and to whom will they apply?

The International Maritime Organization is the United Nations agency responsible for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. The IMO has 176 member states and three associate members. Additionally, 66 intergovernmental organisations have observer status while 89 international non-governmental organisations have consultative status. Those lists can be found [here](#).

The IMO Secretary-General is Arsenio Dominguez of Panama. He was appointed to an initial four-year term on 1 January 2024.

The details of the IMO's aforementioned mid-term measures will be hammered out by the agency's Marine Environment Protection Committee (MEPC) at a meeting at the IMO headquarters in London on 7-11 April 2025.

The MEPC addresses environmental issues under IMO's remit. Consisting of representatives of all IMO member states, it meets roughly twice a year. The April meeting will be the body's 83rd convening, so it is often referred to in shorthand as MEPC 83.

The regulations approved at MEPC 83 will apply to all IMO member states after they are formally adopted at the committee's subsequent meeting in autumn 2025. They are then expected to enter into force in 2027.

## **What are the expectations heading into MEPC 83?**

For many shipping industry executives, the most important thing that can come out of MEPC 83 is clarity. While the industry's reaction to the ambitious aims of the IMO's revised greenhouse gas strategy has largely been positive, the need to translate the strategy into binding regulations has left some companies in the industry in 'wait-and-see' mode.

The details of a global fuel standard and a potential levy will strongly influence how the industry approaches emissions reductions, providing both a regulatory framework and financial incentives to drive the shift to new fuels.

The biggest roadblock to decarbonising the shipping industry is the significant price gap between traditional fossil fuels, like the heavy fuel oil or marine gas oil used by most of today's fleet, and low- or zero-emission alternatives, such as synthetic, hydrogen-based e-fuels like ammonia and e-methanol.

Another long-running challenge is how to ensure that the industry's energy transition does not disproportionately impact any one segment or geographic region. The IMO's emissions reduction strategy requires "a just and equitable" transition that leaves no country behind. Given that the transition to zero-emission shipping will raise trade costs, the international community will have to find mechanisms to support those countries most impacted. While broad economic support will be necessary, many countries will also have opportunities for investment in the value chains for zero-emission shipping, such as fuel production and port infrastructure.

You can see what industry executives and IMO Secretary-General Dominguez had to say about their expectations heading into the MEPC 83 debates in [this video](#).

## For more information or commentary

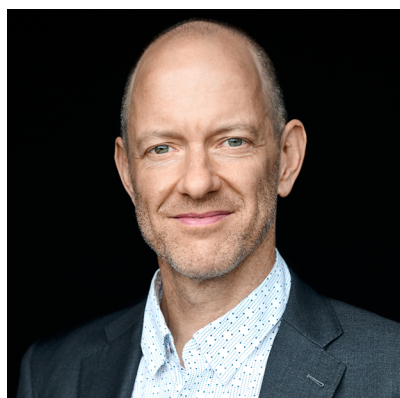


**Johannah Christensen** is co-founder and Chief Executive Officer at the Global Maritime Forum, an international not-for-profit organisation committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human well-being.

Johannah is also the leader and architect of Global Maritime Forum's Annual Summit, which brings together around 200 maritime CEOs, experts, and ministers to co-create solutions for a sustainable maritime future. This year's Summit will be held 21-22 October in Antwerp, Belgium.

She is a primary instigator of several influential initiatives, such as the Poseidon Principles and the Getting to Zero Coalition.

The international shipping news outlet Lloyd's List named Ms. Christensen as one of the 100 most influential people in the shipping industry.



**Jesse Fahnestock** is the Director of Decarbonisation at the Global Maritime Forum.

His background is in energy and climate, having worked in business, research and civil society on delivering the energy transition. In the early 2000s, he helped establish the Global Risks programme at the World Economic Forum, where his focus was on climate and energy security risks. He then served as climate policy advisor for the Swedish power company Vattenfall, and later as head of energy and policy foresight at the Swedish national research institute RISE. Before joining the Global Maritime Forum, he was the global lead for the Energy Transition at WWF International.

Jesse holds a B.A. in history from Princeton University and an MBA from the University of Oxford. He lives in Stockholm, Sweden.

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