

Container shippers confused by carrier EU ETS surcharge variation



As container lines prepare for the imposition of the EU Emissions Trading Scheme (ETS) on shipping there is confusion from their customers about the different levels of surcharges being levied.

Marcus Hand | Nov 29, 2023

From 2024 the EU ETS will cover 40% of emissions measured rising to 70% in 2025 and 100% in a year later, and in 2026 NOx and methane will also be included in the calculation for the EU ETS. However, services that start or end outside of the EU will only be charged at 50%, leaving the third country to decide on carbon charges in its jurisdiction.

Speaking at TOC Asia, Ashna Mishra, Global Lead – Shipping Strategic Engagement and Intelligence for S&P Global Commodity Insights, noted that

carriers plan to recover the cost of the EU ETS through surcharges and many lines such as MSC, Hapag-Lloyd, MSC, Evergreen, Yang Ming, and Cosco had announced charges that will be levied from Q1 next year.

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"But what the market is really confused about right now is the variation that be seen the surcharges, and none of the carriers are really explained why their surcharges are different from the others," she said.

For example, on an Asia – Europe voyage Evergreen is planning to charge EUR27 per teu, while CMA CGM quoted a potential level of EUR25 per teu. By contrast Maersk has indicated a charge of EUR70 per teu and Hapag-Lloyd quoted a theoretical EUR12 per teu.

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"Most of them [the lines] said they plan to review the surcharges on a quarterly basis, while some plan to do it on an annual basis. But this is something that really everyone is watching out for," Mishra said.

"Maybe the carriers will later explain what the rationale is or how they're calculating the surcharges. But that will be important.

Container line surcharges for items such as terminal handling and bunker fuel have long been controversial with shippers and are seen as not reflecting the real level of cost and instead used as a way to increase revenues. The disparity in EU ETS surcharges looks set to continue this discontent.