

Concerns grow that EU ETS will hurt Med ports



Greek Shipping and Island Policy Minister Christos Stylianides said it is a matter of high priority to align EU legislation on Emissions Trading System (ETS) in shipping with international standards adopted by the IMO but that this must be done fairly.

David Glass | Dec 08, 2023

The Minister was speaking at an EU Ministers of Transport council meeting held in Brussels on 5 December as concerns grow the tax will hurt European ports rather than other stakeholders and that ship owners will prefer nearby terminals to avoid the environmental legislation.

The Minister of Shipping informed the Council about issues and concerns raised by the implementation of the directive on the GHG ETS emphasising the

necessity to maintain the competitiveness of EU shipping, including ports, the Ministry said in a statement.

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“At the same time and on the sidelines of the Council of Ministers, Stylianides had contacts with his counterparts and high-ranking officials of the European Commission,” the statement said.

Seven Mediterranean countries have sent a letter to the European Commission calling for a quick revision of ETS if it starts weighing on their business interests. Cyprus, Croatia, Greece, Italy, Malta, Portugal and Spain are believed to have asked commission officials to closely monitor any move by shipowners and managers to shift operations away from EU ports as a result of the tax.

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In an attempt to prevent this, current ETS law includes provisions including non-EU ports within 300 nautical miles (556 km) of the bloc into its scope. But the seven argue this does not solve the issue as they push for concrete measures that will avoid shipping activity moving to ports in Africa and the Middle East free of the green regulation.

The EU has defined two ports — Tanger Med in Morocco and East Port Said in Egypt — as “neighbouring transshipment ports” that fulfill the criteria of falling within the 300-mile radius and whose transshipment exceeds 65% of total container traffic. However, more action is needed to protect the interest of the southern European states, the countries say, with some even pushing at the Council meeting this week to defer the measure though this was quashed by EU officials.

It is being seen that container terminals in North Africa, Turkey and the Middle East are changing their business model to pick up business from their EU rivals. It

is believed the EC will probably seek to extend the measure's extraterritorial reach, but it's stressed the ETS will come into effect as planned on 1 January.

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