



## Maritime UK

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The Rt Hon Chris Skidmore MP  
Chair of Net Zero Review  
Department of Business, Energy and Industrial Strategy  
1 Victoria Street  
London  
SW1H 0ET

27 October 2022

Dear Mr Skidmore,

### **Net Zero Review: Call for Evidence – Maritime UK Response**

I write as Chief Executive of Maritime UK, the umbrella body for the UK's maritime industries, to respond to the call for evidence launched by the Department for Business, Energy and Industrial Strategy (BEIS) as part of a wider review into Net Zero.

#### **About Maritime UK**

Maritime UK is the umbrella body for the maritime sector, bringing together the shipping, ports, services, engineering, leisure marine, and professional services industries. Our purpose is to promote and enable a thriving maritime sector. In collaboration with government, Maritime UK has assumed responsibility for coordinating the delivery of industry actions within the Maritime 2050 strategy.

Our members are maritime trade associations, regional cluster organisations and social partners: The Baltic Exchange, British Marine, British Ports Association, CLIA UK & Ireland, Institute of Chartered Shipbrokers, Maritime London, Nautilus International, Society of Maritime Industries, Trinity House, UK Chamber of Shipping, UK Major Ports Group, Workboats Associations, Belfast Maritime Consortium, Maritime UK South West, Mersey Maritime, Solent LEP, Shipping Innovation, Connected Places Catapult, Port Skills and Safety, and the Seafarers' Charity.

#### **About the maritime sector**

The maritime sector is directly responsible for facilitating 95% of the UK's trade with the rest of the world – worth more than £500 billion every year. It is one of Britain's biggest industries with £116 billion in turnover – bigger than rail and aviation combined – and supports more than 1 million jobs across all of its industries ranging from shipping, ports, services, engineering, leisure marine, and professional services. Maritime industries provide highly-skilled employment opportunities in coastal communities that are both well-paid (40% above the UK average annual remuneration) and highly-productive (51% above the UK average of GVA per job), playing a crucial part in driving regeneration and levelling-up in economically disadvantaged areas.

Despite having made a 30% reduction in its emissions since 1990 and having the lowest environmental footprint of all transport modes on a per-ton basis, the sheer volume of traffic required to sustain a major island economy means that domestic shipping still accounts for 3% of the UK's total greenhouse gas (GHG) emissions. We are fully committed to reducing the environmental footprint of our vital maritime trade through the deployment of net zero carbon emission vessels and green infrastructure, deeply aware that our success in this endeavour will determine the UK's ability to meet its commitment to net zero by 2050.

## The importance of net zero for economic growth and sustainable development

Maritime UK and its members remain fully committed to achieving net zero carbon emissions by 2050 across the UK and recognise the crucial role of the domestic maritime sector in attaining this goal by seeking to decarbonise its own operations before the middle of the century. Indeed, Maritime UK reaffirmed our commitment to net zero earlier this month in its response to the Department for Transport (DfT) consultation on domestic maritime decarbonisation, while also urging government to address the following considerations ahead of the publication of the Clean Maritime Plan Refresh due in 2023:

- provide clarity on the difference between achieving net zero carbon emissions by 2050 and the ambition of absolute zero greenhouse gas emissions;
- update the research base pathways to domestic maritime decarbonisation with the involvement of the Clean Maritime Council (CMC);
- reflect on its role in driving domestic maritime decarbonisation, recognising the priorities of different maritime industries and applying the appropriate levers through public funding in areas such as research and development, green infrastructure, and skills.

Net Zero is also a central consideration to delivering the recommendations set out under the environment pillar of the Maritime 2050 strategy. In its written response to the Transport Select Committee inquiry into Maritime 2050 in March 2022, Maritime UK stated that it is crucial for government and industry to continue building on their close partnership to respond to the challenge of decarbonisation, to develop alternative zero emission fuels and technologies for vessel propulsion, and the associated infrastructure to bunker those new solutions.

Societal interest in responding to climate change has continued to increase since the publication of Maritime 2050 over three years ago and, following the COVID-19 pandemic, there has been a clear move to respond to the needs of recovery and climate change in unison, asking how countries can 'build back better' and placing decarbonisation and green growth at the heart of the UK's definition of the term. There have been significant positive developments in progressing some of the recommendations under the environment pillar of Maritime 2050, with some of the most notable ones including:

- £98 million of government funding for successive rounds of the Clean Maritime Demonstration Competition (CMDC) between 2021 and 2025;
- £1.4 million of grant funding awarded through the Maritime Research and Innovation UK (MarRI-UK) funding call, unlocking a further £1.5 million in private funding;
- Government agreeing to the revision of the Clean Maritime Plan to clarify the UK's domestic targets in 2023, thereby providing confidence on the long-term viability of investments;
- The publication of the Transport Decarbonisation Plan in 2021;
- The inclusion of the maritime sector with the Prime Minister's 'Ten-point plan for a green industrial revolution' alongside aviation;
- £160 million of funding announced to develop port infrastructure for offshore renewable projects, including offshore wind, within the Government's 2021 Budget;
- £30 million Strength in Places funding received by Belfast Maritime Consortium to develop a carbon zero hydrofoiling ferry.

Different parts of the maritime sector have published environmental strategies and roadmaps for their respective industries such as the Port Air Quality Strategies developed by major ports in England, which help drive these ambitions forward, with others initiatives also including the 'North Sea offshore wind vessels decarbonisation roadmap' and 'Decarbonising recreational vessels in the UK and Europe roadmap'. Moreover, collaborative government-industry bodies such as the Clean Maritime Council (CMC) – which includes representation from industry, academic and non-governmental organisations – have been established to act as a strategic advisory board for policy on emissions from the maritime sector. Its work has resulted in the development of four task and finish groups to explore economic incentives for domestic maritime, shore power, fuel and technology pathways and international emissions – key workstreams that demonstrate the strong partnership of the industry and government to develop sound and ambitious measures to address emissions.

Internationally, the UK Government continues to work closely with the IMO on maritime issues, providing leadership, challenging and setting examples with policy and engagement, including the transition to new environmental

standards. The UK delegation to the IMO includes advisory industry organisations with Maritime UK members contributing in a number of ways. One of the numerous declarations launched at COP26 in November 2021 was the Clydebank Declaration. This is a UK-led initiative that encourages and provides a framework for governments to establish green corridors – decarbonised shipping routes between two or more ports. Since its launch, 24 countries have signed up for the declaration, ranging from the US to Fiji, with the collective aim to decarbonise a minimum of six shipping routes by 2025. We now need further clarity on how the UK will meet its commitments under the declaration. Other countries are making significant investment available, and working very closely with industry on agree where that investment should be made.

Although government and industry have both made a substantive start towards decarbonisation, there is a need to increase the scale and pace of this joint effort. With that in mind, a government approach that encourages all solutions through technology-neutral policies is essential to achieving climate goals.

The amended Renewable Transport Fuel Obligation (RTFO) is currently the only domestic maritime policy in force that aims to incentivise the uptake of renewable marine fuels but, while government has committed to introducing technology-neutral policies for shipping, the RTFO policy is currently not considered to meet that criterion. And finally, whilst there is understandable focus on the research and innovation phase of the sector’s response to the decarbonisation challenge, the deployment of technologies deserves an equal amount of attention. A very good example of this is the deployment of shore power facilities across the UK. There is also an unglamorous but important role for government in incentivising the introduction of technologically possible but economically unviable assets through, for example, better use of capital allowances and tax incentives. This has not yet been properly factored into the Maritime 2050 work programme and of course is dependent on HM Treasury playing its part.

Maritime decarbonisation requires engagement from across government and we are seeking strong cross-Whitehall fora to make progress in scaling and accelerating progress.

We hope that our submission has provided you with a constructive contribution to your work as Chair of the Net Zero Review and we remain available to engage with the Department for Business, Energy and Industrial Strategy to aid you in your role. If you require any further information, please do not hesitate to get in contact with Maritime UK’s Policy and Research Manager, Giorgio Buttironi at [gbuttironi@maritimeuk.org](mailto:gbuttironi@maritimeuk.org).

Yours sincerely,

**Ben Murray**  
Chief Executive