

France to push shipping carbon tax at finance summit

June 16 2023



The shipping industry transports around 90 percent of traded goods worldwide, accounting for some three percent of carbon emissions.

France said Friday it would throw its weight behind an emissions tax on the heavily polluting shipping industry, adding momentum to a campaign

long championed by Pacific island nations and environmental campaigners.

French President Emmanuel Macron will push the issue at an international conference next week to discuss revamping the global development aid system where Brazilian leader Luiz Inacio Lula da Silva, Saudi Crown Prince Mohammed bin Salman as well as a host of African heads of state are expected.

The shipping industry transports around 90 percent of traded goods worldwide and accounts for around three percent of [global carbon emissions](#), which are currently unregulated.

Two Pacific nations exposed to the risk of rising sea levels, the Marshall and Solomon islands, have been pushing over the last decade for a \$100-per-tonne tax on maritime industry emissions which would create incentives for operators to cut their pollution.

"We hope that we will give a real political boost" to the proposal at the summit, an aide to said on condition of anonymity on Friday.

Macron will host dozens of foreign leaders at the Summit for a New Global Financing Pact in Paris from June 22-23 and a pledge from participating countries such as China, Saudi Arabia or Brazil would represent a concrete achievement from the talks.

French officials believe it would add pressure on shipping groups and the International Maritime Organization (IMO), a United Nations agency, which is set to host a summit in two weeks' time where the carbon tax is expected to be discussed.

The Marshall and Solomon Islands proposals would add tax of around \$300-400 to the price of a tonne of heavy oil used by [container ships](#),

raising approximately \$60-80 billion (55-73 billion euros) of tax receipts per year, according to the World Bank.

These funds could then be used by emerging countries to help finance their transition to a low-carbon economy and adapt to climate change.



Macron will promote the issue at a conference next week attended by Saudi Crown Prince Mohammed bin Salman and others.

The shipping industry, which operates across multiple jurisdictions and often in international waters, is "currently completely exempt from tax either on their sales or their emissions," the French presidential aide said.

"We need new resources" to fight climate change and poverty as the "needs are so huge", the official said.

'Slow progress'

The United Nations warned in November last year that carbon emissions from shipping were growing and it called on the vast industry to scrap old, polluting vessels and upgrade infrastructure to speed up its green transition.

While the world is becoming increasingly aware of the need to slash greenhouse gas emissions to avert catastrophic [climate change](#), the global maritime fleet saw emissions rise by 4.7 percent between 2020 and 2021 alone, the UN's trade and development agency UNCTAD.

It also raised concerns about the average age of ships sailing the seas, which currently stands at nearly 22 years, meaning they rely on older, more polluting engines.

The IMO has set a target for shipping to halve its annual emissions between 2008 and 2050, which is less ambitious than other industries targeting net-zero over the same period.

The European Commission says on its website that there has been "relatively slow progress in the IMO" to spur efficiency measures in the estimated 90,000 commercial vessels plying the world's seas.

Some companies are investing in new technologies, however, including engines that can run on hydrogen or liquefied natural gas, or be powered by the age-old technology of sails.

The French push follows previous unsuccessful efforts by Britain to nudge the [shipping industry](#) into taking greater action. London urged the

sector to adopt net-zero targets for 2050 at the time of the COP26 climate summit in 2021.

© 2023 AFP

Citation: France to push shipping carbon tax at finance summit (2023, June 16) retrieved 12 May 2024 from <https://phys.org/news/2023-06-france-shipping-carbon-tax-summit.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.