

The IMO Net-Zero Framework: A major step towards shipping decarbonisation

Brussels, 22 April 2025: On April 11th 2025, the **International Maritime Organization (IMO)**, a **UN body that regulates international shipping, approved a first-of-its-kind framework.** While the path to approval was marked by intense negotiations, the outcome demonstrates what global multilateralism and cooperation can achieve. The agreement, which is expected to be formally adopted in October, will be the first sector-specific global regulatory framework aiming at reducing greenhouse gas emissions, based on a lifecycle assessment approach.

The approved regulation introduces two tiers of annual GHG fuel intensity reduction targets for ships, along with a carbon pricing mechanism to drive emissions reductions. Ships who fail to meet these emissions reduction targets will pay up to \$380 per tonne of CO₂ equivalent, feeding into a new Net-Zero Fund to ensure a just and equitable transition and reward the use of zero or near zero technologies, fuels and energy sources. The first annual GHG fuel intensity reduction target will start in 2028.

FuelsEurope welcomes this crucial achievement, which sends a strong and long-

awaited signal to maritime stakeholders, including the fuel manufacturing industry. The framework provides a solid foundation and clearer demand horizon for alternative marine fuels. By setting a forward-looking regulatory trajectory, it offers a much-needed visibility to scale up the production and deployment of these fuels in time to meet the shipping sector's decarbonisation goals. Regulatory stability and predictability are essential to unlock the long-term and capital-intensive investments required to support the transition. Ensuring consistency with the EU legislative framework for maritime transport - FuelEU Maritime and EU ETS – will also be crucial in order to support a unified sectoral approach.

More than ever, close collaboration between shipowners and fuel suppliers will be essential. Ensuring that supply meets demand in terms of fuel specifications, volumes, geographies, and timelines will require aligned efforts and shared commitments. FuelsEurope is fully engaged in this process and we look forward to working with partners across the maritime value chain to deliver on the promise of a sustainable future for shipping.

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FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 40 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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