

Rules & Fuels Perspectives

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Rules & Fuels

European
Green Deal
“Fit for 55”

EU ETS

FuelEU
Maritime

Energy
Taxation
Directive
(ETD)

International
Maritime
Organization

EEXI/ EEDI

CII

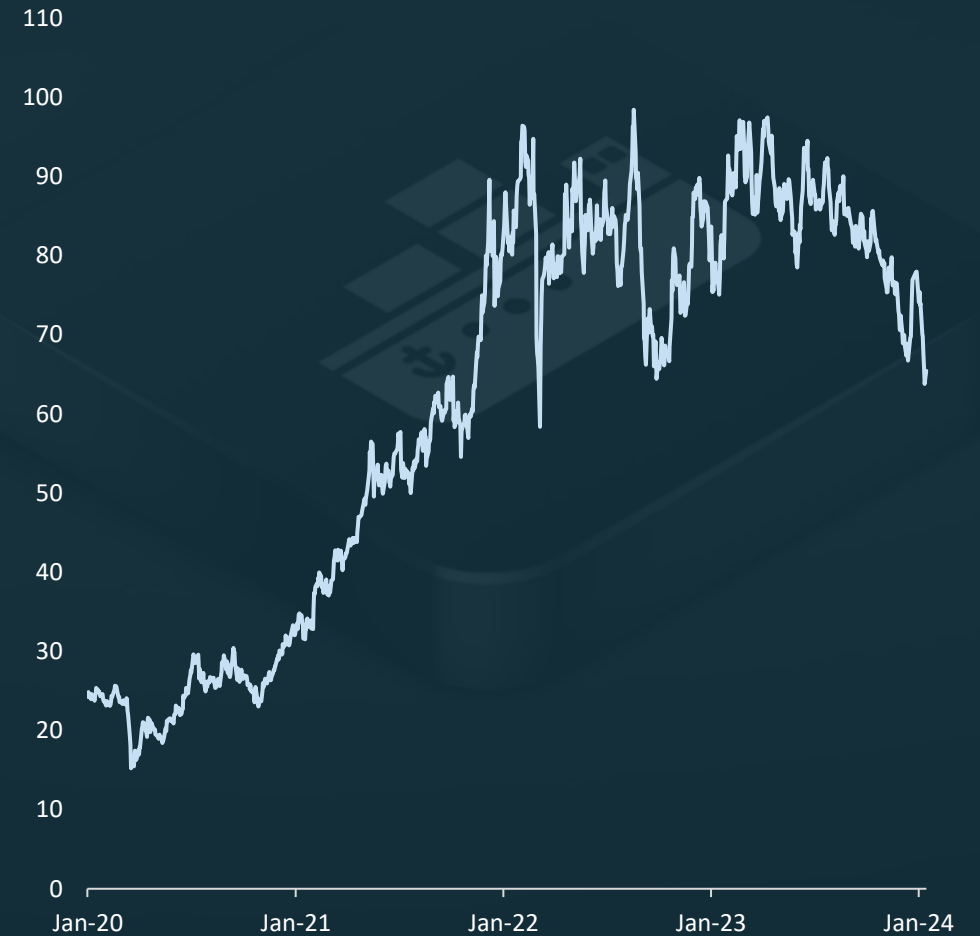
SEEMP

GHG Strategy

EUA costs

- The current EUA price is the lowest since September 2022 (€ 63.80 15/1/24)
 - Mild weather.
 - More wind
 - Substantially reduced coal burn
 - Reduced natural gas consumption
 - Challenging macro-economic outlook
- Still, based on 2022 MRV-reporting and today's prices, surrendering 40% of eligible emissions will bring the total bill for 2024 to about €2.3 billion

EUA pricing



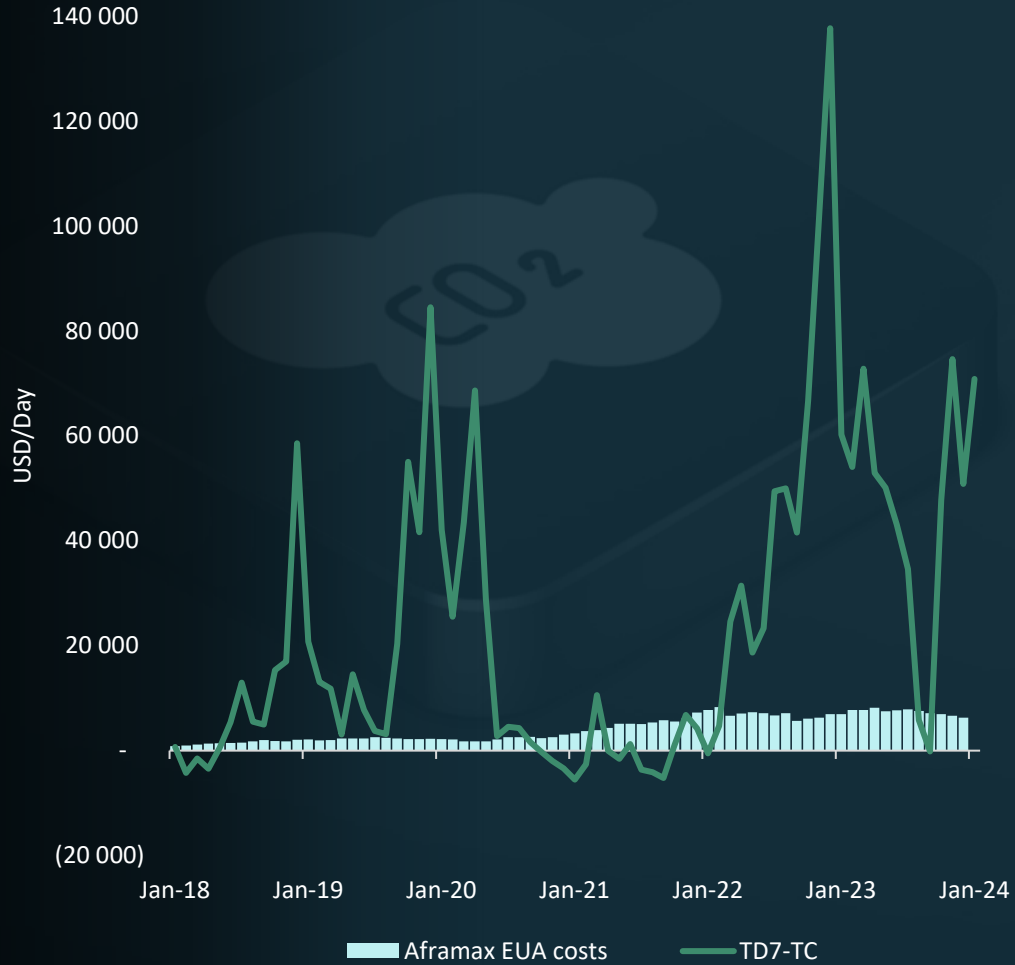
How's the industry coping with the ETS 17 days into the new regime

- In November, the EU issued an Implementing Regulation more clearly defining the party being responsible for surrendering EUAs.
- It is the **ship owner**, or the entity nominated by the ship owner (provided the conditions set out in the Implementing Regulation are fulfilled).
- To formally qualify as an entity taking over the responsibility, the entity must have assumed the responsibility for the operation of a ship.
- In practice and as a minimum requirement this is the DOC holder.

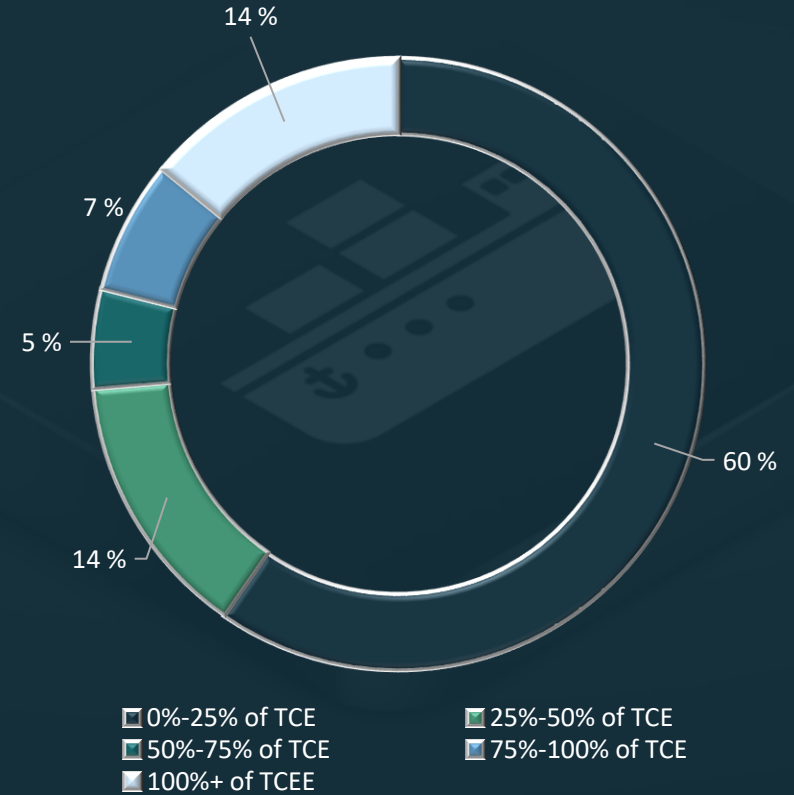
How's the industry coping with the ETS 17 days into the new regime

- The ETS costs are simply baked into the gross freight rate.
- The WS Association has developed a calculator to establish a separate Worldscale rate to cover EUA's only.
- Based on round voyages but could be calculated for individual legs as well.
- It seems to be resistance among charterers to contribute to EUAs for anything more than the laden leg.
- Which in practice means that the ship owners and charterers share the costs.
- We also observe that some (time) charterers prefer to purchase the required EUAs and transfer same to the ship owner's account in due course for the surrendering date.

TD7 TCE and daily EUA costs

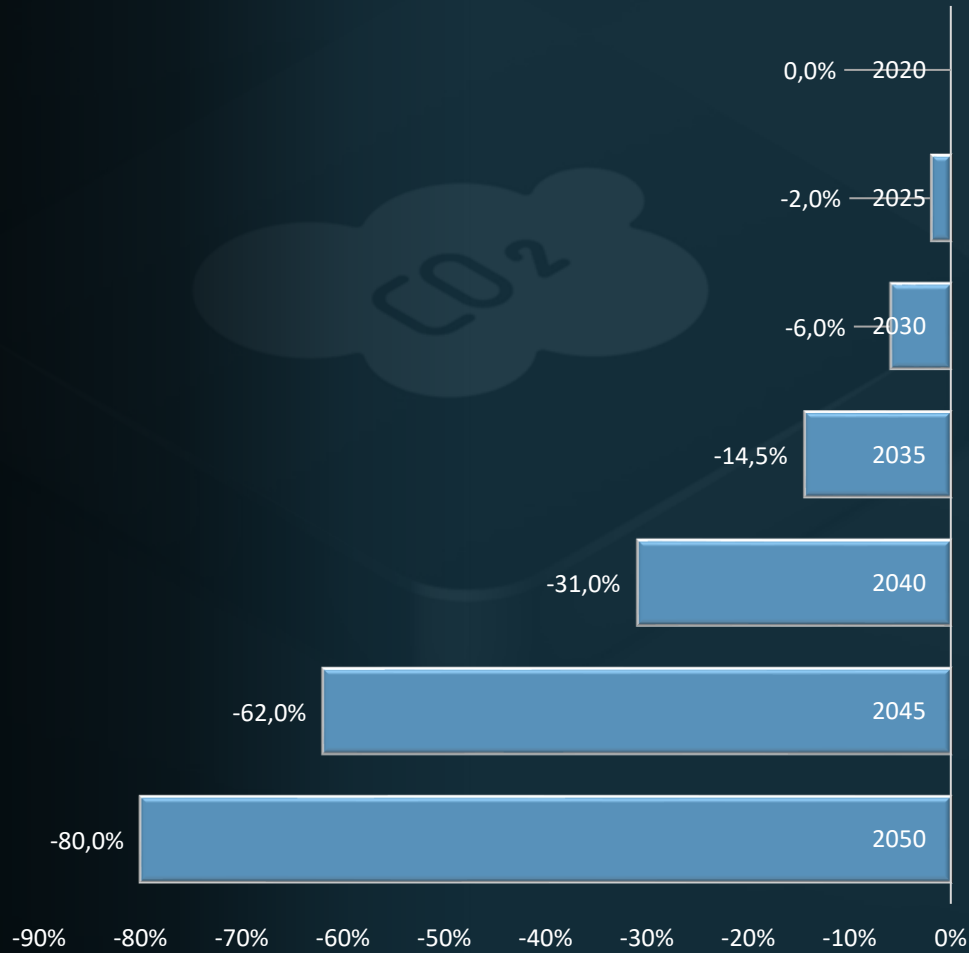


ETS cost per ship and calendar day

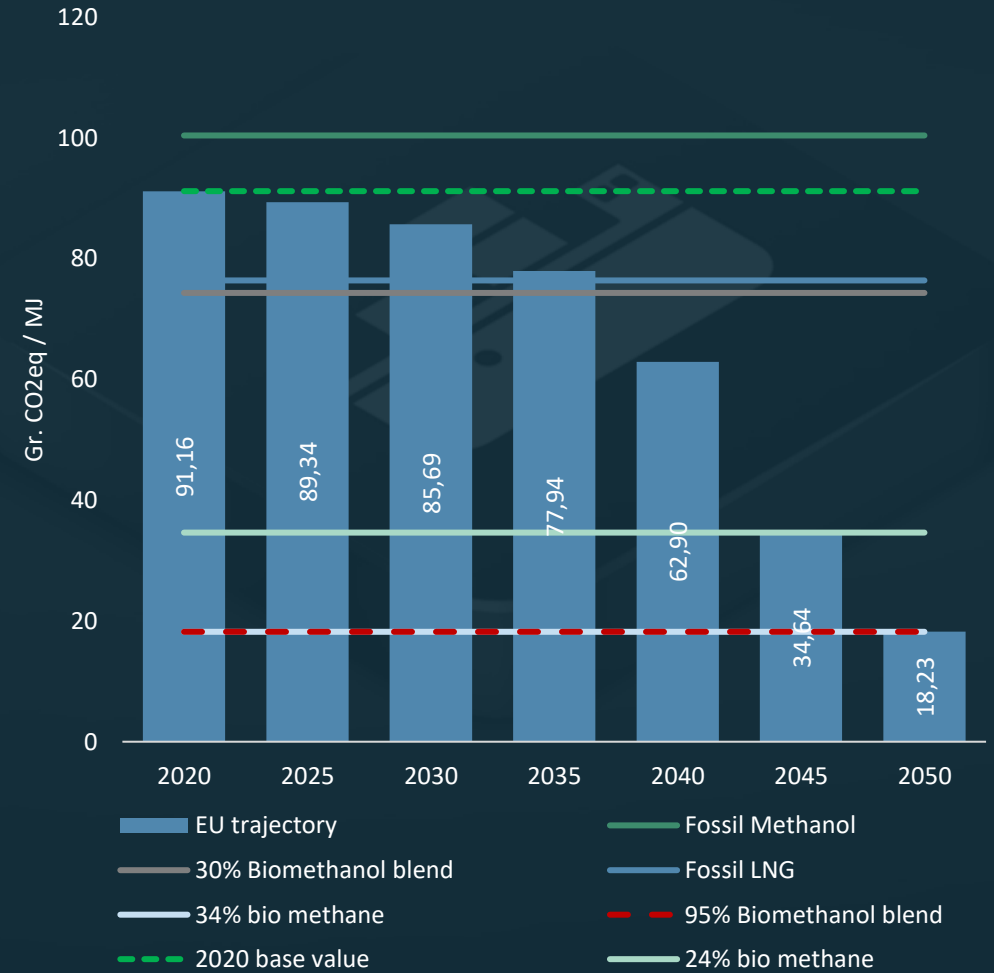


- Average daily EUA cost: \$ 4,200 / day
- Period average EUA share: 54%

Fuel EU Maritime schedule








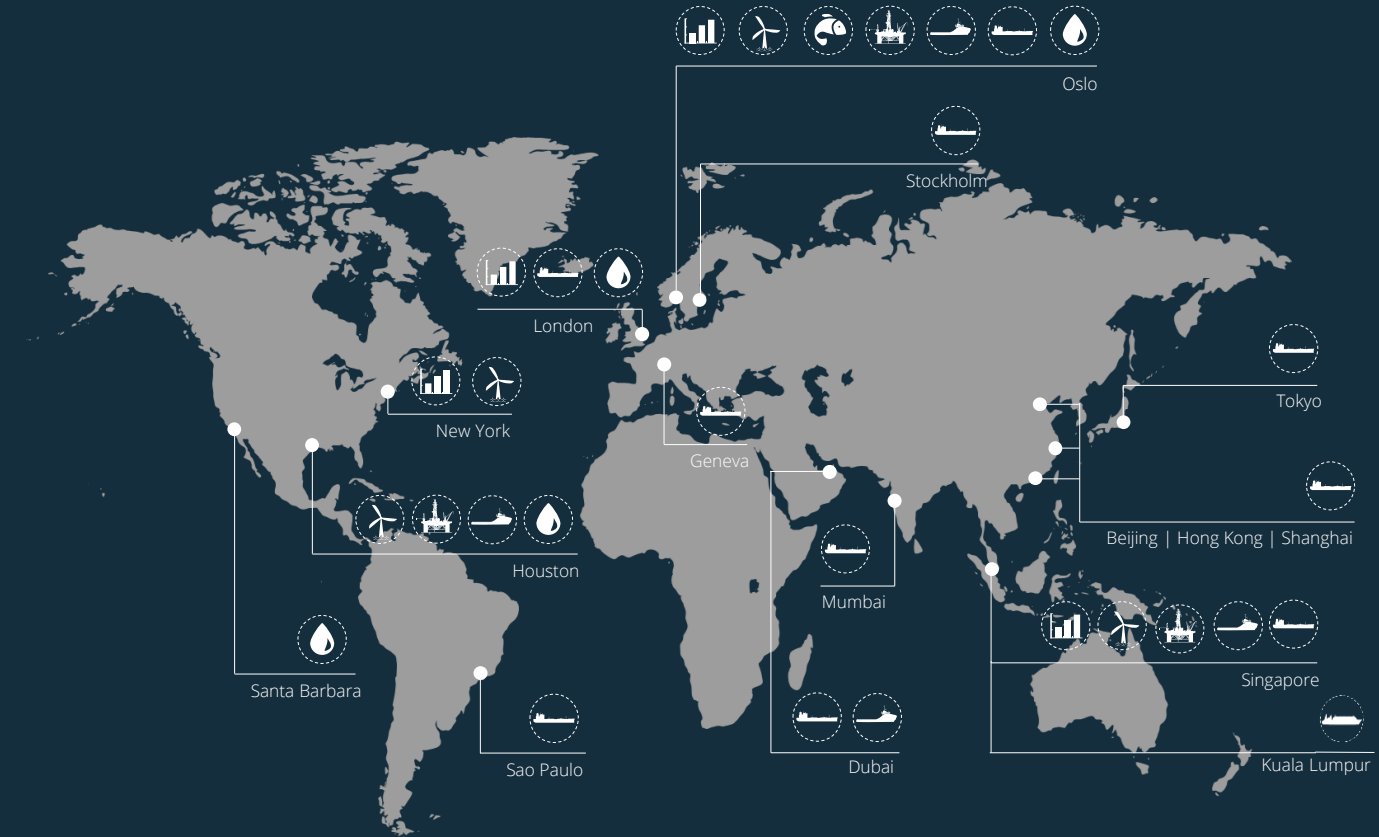
Fuel compliance



Astrup Fearnley

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