



## **Delivering on the Draghi Report Make clean fuels available for shipping**

Access to clean maritime fuels is a top priority for the decarbonisation of the shipping sector. The recently published Draghi [report](#) on the "Future of European Competitiveness" identifies shipping as one of the most difficult sectors to decarbonise, requiring around 40 billion in annual investments between 2031 and 2050.

**The Clean Maritime Fuels Platform stresses that public and private investments must be secured as soon as possible to achieve shipping's decarbonisation.**

The Clean Maritime Fuels Platform supports the report's conclusions related to the investments required to reduce emissions. There is a need to:

- **De-risk investment in renewable and low carbon fuels**, for example via schemes based on Contracts for Difference and auctions as a service.
- **Launch dedicated sectoral calls under the Innovation Fund** for the first deployment of decarbonisation solutions. The 20 million EU ETS allowances allocated to the decarbonisation of the maritime sector until 2030 should be used as soon as possible.
- **Expand existing funding mechanisms for refuelling and recharging infrastructure.**

Furthermore, the energy transition of shipping is an opportunity to invest in manufacturing capacity in Europe and **make the EU a global frontrunner in clean fuels for shipping** at a time when international shipping would be seeking to reach net-zero by 2050.

- To make this happen, the Clean Maritime Fuels Platform calls for creating the regulatory conditions to unlock investments in the production of clean maritime fuels in the EU. The objective should be to create a European manufacturing capacity capable to match the EU demand for clean shipping

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fuels in Europe as much as possible, in line with the benchmark of the Net-Zero Industry Act.

Renewable and low-carbon fuels are essential for the decarbonisation of shipping in the medium term. However, several challenges should be overcome to ramp up production capacity in the EU. The report notes that the **price gap** between conventional fuels and renewable and low-carbon maritime fuels is significant. Research has found that **clean fuels can be as high as five times more expensive**. Further supporting clean shipping fuel manufacturing in Europe can enhance the competitiveness of the European economy. However, manufacturing of shipping fuels in Europe faces challenges, in particular due to investment uncertainties.

- **The Clean Maritime Fuels Platform strongly supports the conclusions of the report that the EU needs to start building a supply chain for renewable and low-carbon fuels,** or the costs of meeting its climate targets will be significant.

European shipping is a strategic sector for Europe, carrying the lion's share of the EU's external trade moving around 76% of the EU's external trade and ensuring security of supply of energy, food and goods. Ensuring shipping can decarbonise while maintaining its international competitiveness is a prerequisite for the EU to meet the competitiveness challenges highlighted by the Draghi report.

For this reason, **strengthening clean shipping fuel manufacturing in Europe must be a pillar of the upcoming Clean Industrial Deal and the Maritime Industrial Strategy.**

## **Who we are**

The new Clean Maritime Fuels Platform is a bottom-up industry initiative aiming to enhance communication between the shipping sector and fuel producers and to identify common challenges and possible solutions, considering the implementation of the Fit for 55 package and the transition to a net-zero economy by 2050.