



**European
Shipowners**

ES|ECSA | European Community Shipowners' Associations

● **SHORT STUDY**

MARITIME EU ETS

Shipping's contribution &
national revenues

2026

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ES|ECSA in-house analysis



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Executive summary

Maritime transport has been covered by the EU Emissions Trading System (EU ETS) since 1 January 2024. From the 2026 reporting year onwards, following a phase-in period, shipping companies must surrender allowances (EUAs) for 100% of emissions within the EU ETS scope.

This creates a large and recurring contribution from the sector. Since its inclusion in 2024, shipping companies reported around 90 million tonnes of verified emissions a year falling under the full scope of the EU ETS. Taking as a reference point the current level of emissions, this would imply an annual surrender requirement of around 90 million allowances.

This study examines two scenarios depending on the EU ETS carbon price. The first scenario considers as a reference carbon price EUR 100 per tonne CO₂. Under this scenario, shipping's annual EU ETS contribution is around **EUR 9 billion**. Even under a lower-price scenario of EUR 85 per tonne CO₂, reflecting a possible short-term softening of the ETS market, the total contribution remains significantly high at **EUR 7.65 billion**. This amount includes both EU and national revenues.

This study presents a break-down analysis per country, i.e. the contribution of shipping's ETS revenues to the national budget of each EU Member States and EEA countries, under the two scenarios. In both scenarios, maritime transport represents a significant source of additional ETS revenues for Member States.

Our analysis shows that the **total revenues going to EU Member States will be EUR 7.7 billion** under the EUR 100 scenario and **EUR 6.6 billion** under the EUR 85 scenario. However, there is a real risk that the corresponding national ETS revenues are not reinvested in the sector's energy transition.

According to the Commission's 2025 Carbon Market Report, which looks at the EU ETS as a whole, Member States **only invested around 5% of their 2024 national ETS revenues** in industrial decarbonisation, despite a legal requirement to do so. While the Commission's report does not single out shipping revenues, most Member States have not earmarked a dedicated share of their EU ETS revenue for shipping.

Looking ahead at the next period of the **EU ETS 2030-2040**, shipping is expected to contribute around **EUR 90 billion**. The upcoming review of the EU ETS Directive, expected in July 2026, should close the revenue-use gap.

A legal requirement for EU Member States to earmark at least part of their ETS revenues for the uptake and availability of sustainable fuels, as well as sustainable technologies, should be introduced in the review of the EU ETS Directive. This would help turn the EU ETS into a genuine instrument for the sector's energy transition.

1 Shipping in the EU ETS

Maritime transport has been covered by the EU Emissions Trading System (EU ETS) since 1 January 2024.

How the extension of the EU ETS to maritime transport works (the system). Shipping companies must acquire/buy and then surrender European Union Allowances (EUAs) to cover their emissions falling under the scope of the system.

Scope/Coverage. The system covers all ships above 5,000 gross tonnage (GT), regardless of flag, performing maritime transport activities (commercial carriage of cargo and/or passengers) calling at European Economic Area (EEA) ports.

	Share of emissions covered
Voyages between two EEA ports	100%
Emissions at berth in an EEA port	100%
Voyages between an EEA port and a non-EEA port	50%

Offshore ships will be brought into the system from 1 January 2027. The extension of the EU ETS to maritime transport originally covered exclusively CO₂ emissions, but since 1 January 2026, methane (CH₄) and nitrous oxide (N₂O) emissions are also covered¹.

Phase-in period/Surrendering Requirements. Following a progressive phase-in, shipping companies were required to surrender allowances covering 40% of verified 2024 emissions and 70% of verified 2025 emissions, before moving to 100% coverage for emissions within the EU ETS scope from the 2026 reporting year onwards.

No free allowances. Unlike sectors such as steel, cement, chemicals and aviation, shipping has never received any free allowances. Every single tonne of emissions under scope must be accounted for by surrendering an allowance purchased on the carbon market.

Initial compliance has been high. According to the European Commission², shipping companies successfully surrendered allowances for more than 99% of their legal requirements for 2024 emissions by the compliance deadline.

¹ Consequently, a ship's total emissions are now calculated and surrendered in carbon dioxide equivalent (CO₂-eq) units, a metric that converts CH₄ and N₂O into the amount of CO₂ that would have the same global-warming potential. One surrendered allowance covers one tonne of CO₂-eq emitted on a tank-to-wake basis.

² European Commission. (2025). [Report on the functioning of the European carbon market in 2024](#).

2 The scale of shipping's EU ETS contribution and Member State revenues

Scale of maritime emissions. In 2024, the most recent year for which complete data is available, shipping companies reported 90 million tonnes of verified emissions under the scope of the EU ETS³. Assuming emissions levels hold constant, this corresponds to a surrender requirement of 90 million allowances from 2026 onwards.

Shipping's contribution. At an indicative carbon price of EUR 100 per allowance, the resulting order of magnitude of the annual contribution from the maritime sector is approximately EUR 9 billion. This is the sum that shipping companies pay each year to acquire allowances to comply with their EU ETS obligations.

To reflect the technical reality of the EU ETS, it is important to distinguish between two concepts: **shipping's EU ETS contribution** and **Member State ETS revenues**.

While **shipping's total EU ETS contribution** can be broken down by the Member State acting as the administering authority for each company, these payments do not flow directly into that specific Member State's treasury. The administering authority simply administers the surrendering of volumes of allowances. Because shipping companies buy their allowances through primary auctions or on the open market, shipping company contributions are completely dissociated from Member State ETS revenues.

Instead, **Member State ETS revenues** are the proceeds from the sale of fungible EU ETS allowances allocated to them under the primary auctioning system. Auctions are managed centrally by the European Energy Exchange (EEX) according to an annual calendar that sets auction volumes for Member States and EU-level funds. Consequently, Member State treasuries receive a single lump sum of general EU ETS revenue rather than a direct, traceable stream of "shipping ETS money".

Member States can choose how to use their ETS revenues. Under Article 10(3) of the EU ETS Directive⁴, Member States are required to use ETS revenues to support climate action and the energy transition, including maritime decarbonisation. However, the Directive does not require Member States to earmark a specific share of their ETS revenues for shipping, apart from a small, annually declining maritime carve-out to assist countries that bear a disproportionate administrative burden for managing the maritime EU ETS that in 2026 amounts to around 2.5 million allowances.

As a result, the extent to which EU ETS revenues are used for maritime decarbonisation remains largely a national policy choice.

³ European Maritime Safety Agency (EMSA). (2025). [THETIS-MRV: Public-Emission-Report, \(2024 Reporting Year\)](#). The 90 million tonne figure reflects emissions reported under the EU ETS maritime scope as it applies in full from 2026.

⁴ European Parliament and Council of the European Union. (2003). [Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC](#) (hereafter referred to as the 'EU ETS Directive').

3 Minimum maritime EU ETS revenue by Member State

This study provides an **estimate of the additional annual EU ETS revenue by Member State** linked to the inclusion of maritime transport, calculated for 2026 emissions⁵ which generate revenues in 2027.

It answers a simple question: How much, at a minimum, does each Member State receive in annual EU ETS auction revenues from maritime transport?

The figures presented show how much of each Member State's general auction revenue is attributable to the inclusion of maritime transport, not how much shipping companies administered in that Member State have contributed to the EU ETS. Two scenarios are presented. A baseline scenario A. based on a EUA price of EUR 100, and a second scenario B. based on a EUA price of EUR 85, which aims to take into account a possible softening of the ETS market due to recent legislative developments⁶. The methodology is identical.

3.1 Methodology

Minimum maritime EU ETS revenues by Member State are estimations. Since a detailed breakdown of the methodology behind the European Commission's auction calendars is not publicly available, this figure is an estimation⁷. While the distribution between Member States follows the fixed shares set out in the standard General Distribution Key in Annex I of Commission Decision (EU) 2020/2166⁸, the complex calculation rests on assumptions about the Market Stability Reserve, the volume of allowances diverted to EU funds and the EU ETS allowance price. This benchmark should therefore be used as an illustrative proxy rather than an exact accounting, which only the Commission would be able to calculate.

While shipping companies inject billions into the EU ETS carbon market by purchasing allowances to account for their emissions, the resulting revenue is distributed through a complex, multi-tiered allocation framework before it ever reaches national treasuries:

EU Funds (Innovation and Modernisation Funds). Before Member States receive their general auction revenues, a portion of the ETS revenues is allocated to EU funds aimed at supporting the decarbonisation of European industry and its transition to climate neutrality. The revenue from the auctioning of allowances created to account for the maritime scope extensions, namely

⁵ Under EU ETS phase-in rules, shipping surrendered allowances corresponding to 40% of its emissions in 2024 and 70% in 2025. The corresponding Member State auction volumes therefore equalled 40% and 70%, respectively, of the allowance volumes used in this study's revenue estimates.

⁶ The Commission's [legislative proposal](#) on the Market Stability Reserve proposes to stop the invalidation mechanism, allowing allowances to be kept as a buffer that can support market stability. The objective of this legislative proposal is to enhance stability and predictability to reduce the EU ETS allowances' price volatility.

⁷ Where available, these benchmark figures draw on national calculations already accepted by relevant national authorities.

⁸ European Commission. (2020). [Commission Decision \(EU\) 2020/2166 of 17 December 2020 on the determination of the Member States' auction shares during the period 2021-2030 of the EU Emissions Trading System.](#)

the 2.37 million allowances added for non-CO₂ emissions in 2026, and the subsequent extension for offshore vessels in 2027, will go into the Innovation Fund. For our calculations, we assume that, after removing the allocations that are clearly defined on an annual basis within the EU ETS Directive⁹, the remaining top-level percentage shares going to EU funds are identical to those observed in the general EU ETS auction pot in the 2026 auction calendar¹⁰. In terms of **explicit earmarking** for maritime within these EU funds, the legislation does not carve out a static reserve of allowances exclusively for shipping, as it does for the aviation sector. However, 20 million allowances from the Innovation Fund are dedicated to maritime decarbonisation projects as a total envelope over the 2024–2030 period.

The 3.5% maritime carve-out. Under Article 3ga(3) of the EU ETS Directive, until 2030, 3.5% of the decreasing additional annual quantity of allowances resulting from the increase in the cap for maritime transport, based on the addition of 78.4 million allowances in 2024, is specifically reserved for Member States that bear a disproportionate administrative burden for managing the maritime EU ETS. The revenue generated from this share is the only EU ETS auctioning revenue that should be used specifically for maritime decarbonisation and covering administrative expenses.

General Distribution to Member States. After the EU Funds and the 3.5% maritime carve-out are deducted, the remaining allowances enter the general auction pool and are distributed to Member States according to the standard General Distribution Key (Annex I share) based on historical stationary emissions.

The minimum maritime EU ETS revenue by Member State (MS) is therefore calculated as the sum of the MS’s Annex I-based allocation from the general auction pool and, where applicable, its maritime carve-out, multiplied by the European Union Allowance (EUA) price:

$$\begin{aligned} \text{Minimum maritime EU ETS revenue}_{MS} &= [(\text{General auction pool} \times \text{Annex I share}_{MS}) + \text{Maritime carve-out}_{MS}] \\ &\times \text{EUA price} \end{aligned}$$

3.2 Estimation of minimum maritime EU ETS revenue by Member State

The following figures should be read as follows: *if maritime transport had not been included in the EU ETS system, Member State X would have received approximately EUR Y less in annual revenue.* This is not a direct measure of the ETS contributions paid by shipping companies administered by each Member State, which are often significantly higher. Rather, it is an estimate of the additional national auction revenue associated with the inclusion of maritime transport in the EU ETS. The two charts below present estimated minimum maritime EU ETS revenue by Member State under two EUA price assumptions: EUR 100 per EUA and EUR 85 per EUA. Both scenarios lead to a total contribution from the shipping sector of EUR 9 billion and EUR 7.65 billion, respectively. Even in the second scenario with a lower carbon price, the contribution of the sector remains significant.

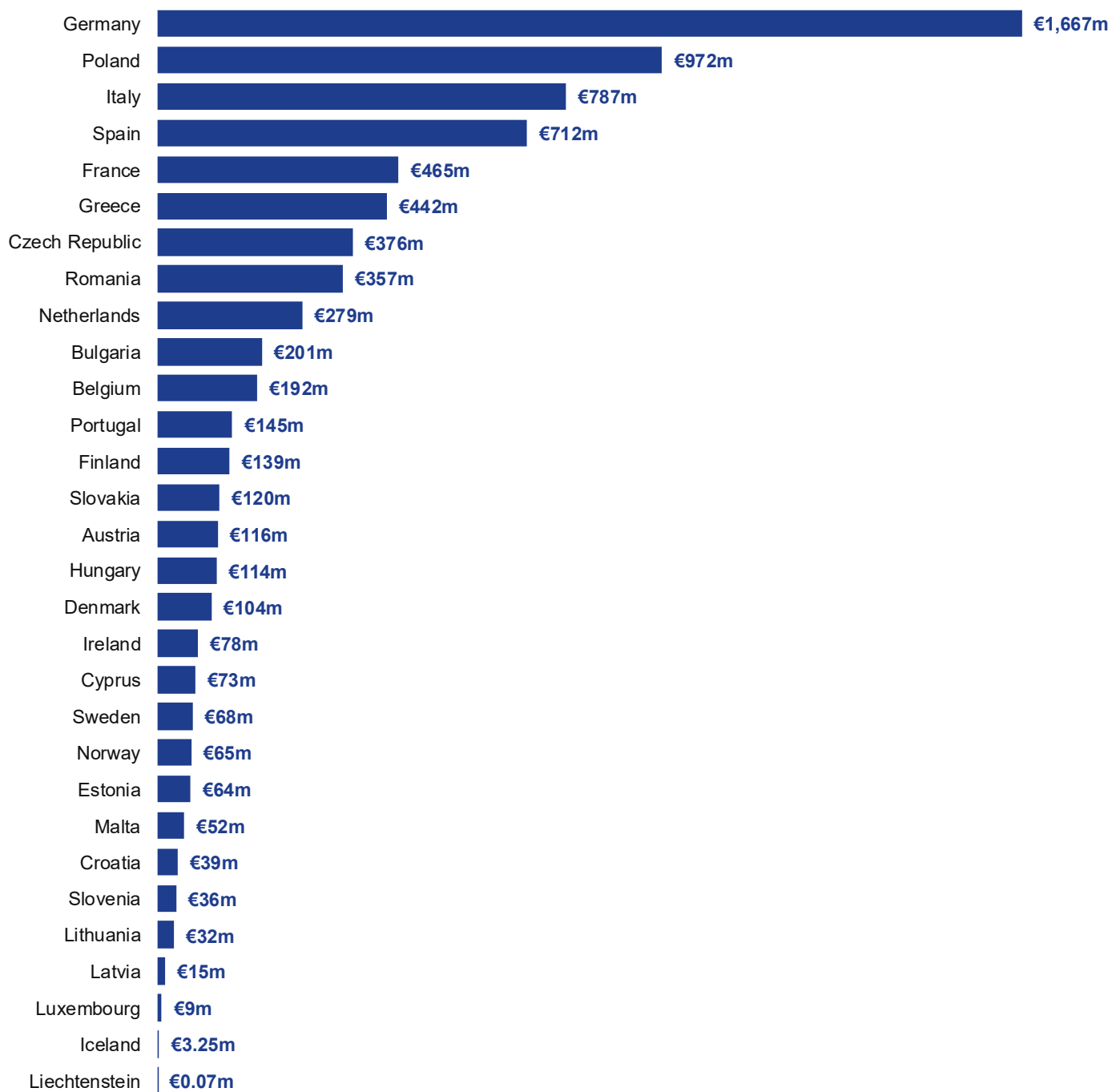
⁹ Including the maritime scope extension allowances to cover non-CO₂ Emissions (revenues from the auctioning of which are explicitly directed to the Innovation Fund), the Modernisation Fund distribution and the maritime carve-out. See the [EU ETS Directive](#), Articles 9, 10a(8), 10(1) and 3ga(3).

¹⁰ European Energy Exchange AG (EEX). (2026). [EEX Auction Calendar 2026](#).

Minimum maritime EU ETS revenue by Member State

Estimated additional annual revenue from the inclusion of maritime transport
A. Baseline scenario based on a EUA price of EUR 100

This chart does not show maritime EU ETS-derived revenue accruing to the Innovation Fund, the Modernisation Fund etc.



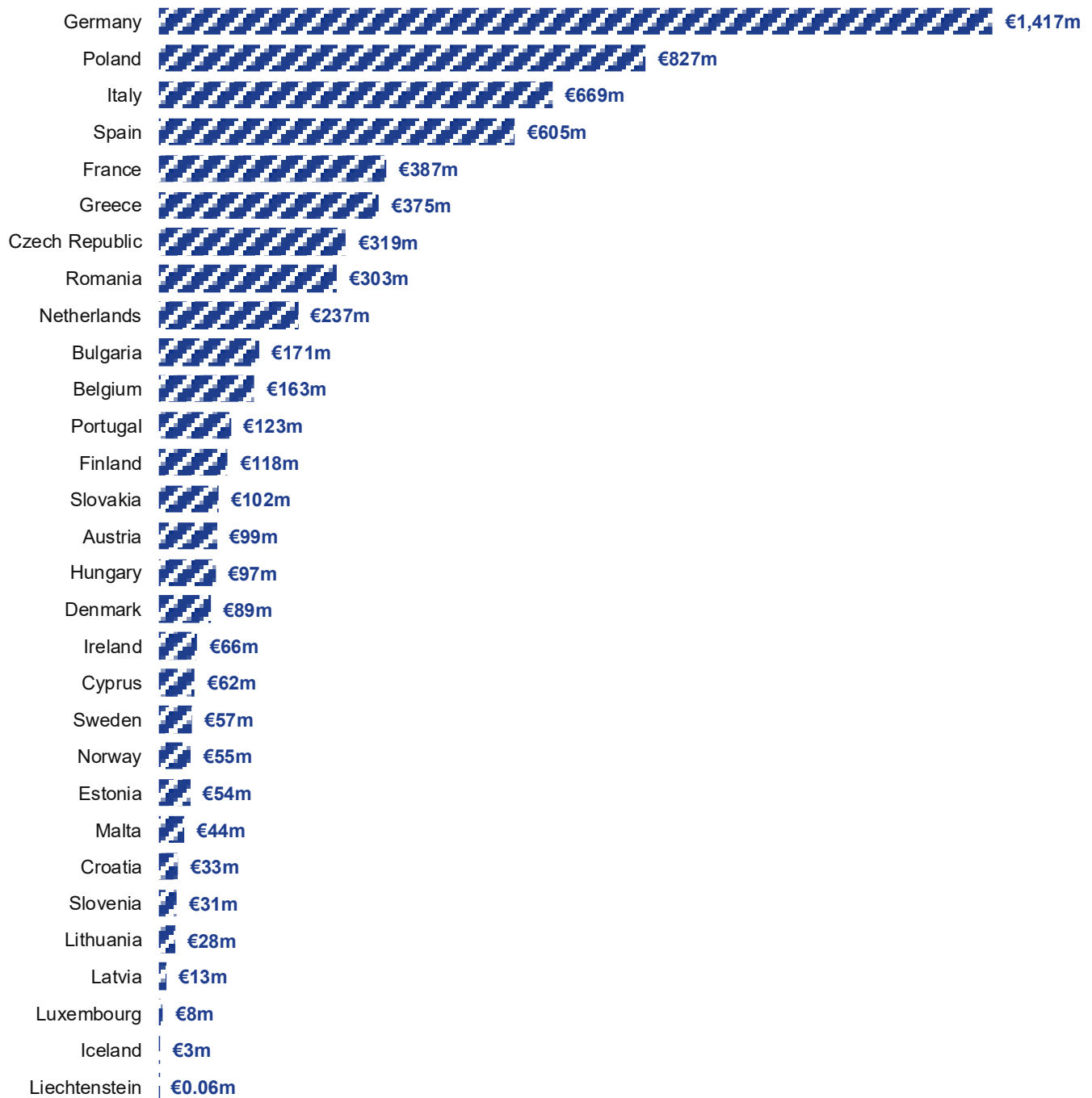
■ Maritime EU ETS revenue per Member State (€100/EUA)

Minimum maritime EU ETS revenue by Member State

Estimated additional annual revenue from the inclusion of maritime transport

B. Second scenario based on a EUA price of EUR 85

This chart does not show maritime EU ETS-derived revenue accruing to the Innovation Fund, the Modernisation Fund etc.



■ Maritime EU ETS revenue per Member State (€85/EUA)

4 Looking ahead: maritime EU ETS revenues in the next decade

The Commission is preparing its review of the EU ETS, due in July 2026, which will set the framework for the 2031–2040 EU ETS cycle. Assuming broadly stable maritime emissions and an indicative carbon price of EUR 100 per allowance, shipping's annual contribution would be around EUR 9 billion. Over the next decade, this would imply cumulative maritime EU ETS contributions of around EUR 90 billion and the surrender of approximately 900 million allowances.

How should Member States spend this money? Under Article 10(3) of the EU ETS Directive, Member States are required to use their ETS auction revenue to support the energy transition, with maritime decarbonisation explicitly listed. However, the Directive does not impose a sectoral sub-target. Member States are free to allocate revenues across the listed purposes as they see fit.

In practice, **industry receives a very small share of national auction revenues.** According to the European Commission's 2025 Carbon Market Report², only around 5% of past national ETS revenues have been spent on industrial decarbonisation.

Maritime decarbonisation, despite being explicitly named in the Directive, receives almost no dedicated support. Aside from France and Estonia, which have earmarked dedicated ETS revenues for shipping, most Member States have not earmarked a dedicated share of EU ETS revenue for shipping.

The EU ETS review is an opportunity to close this gap. A legal requirement for EU Member States to earmark at least part of their ETS revenues for the uptake and availability of sustainable fuels, as well as sustainable technologies, should be introduced in the review of the EU ETS Directive. This would help turn the EU ETS into a genuine instrument for the sector's energy transition.

This is ultimately a question of climate impact, European energy security and industrial competitiveness. Targeted investment should bridge the significant price gap between conventional and sustainable marine fuels, which are currently on average four times more expensive and support sustainable fuel availability and clean tech projects.



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