



Transport included in emissions trading by 2031 – emissions regulation to be re-examined for increased effectiveness

After the European Parliament elections in June 2024, the new Commission will prepare a significant energy and climate framework for the next decade 2030–2040.

By 2031, maritime, air and road transport will be fully covered by EU emissions trading mechanisms. In addition, electrified rail transport will also be covered by emissions trading. The carbon neutrality target must be achieved by technology-neutral and cost-effective means, and as market-based as possible.

Full and permanent compensation for the additional costs of winter shipping is a vital priority for Finland. Nearly 95% of Finland's foreign trade goes by sea. Winter conditions impose additional costs due to the ice-strengthened vessels and increased fuel consumption.

FINNISH INDUSTRIES' MESSAGES TO DECISION-MAKERS

Finnish Industries EK supports the EU's ambitious climate policy, where the 2030 and 2040 climate targets are important steps towards a climate-neutral Europe 2050. Transport is in the core of the green transition.

- As transport will be included in emissions trading by 2031, the effectiveness of emissions regulation in transport should be re-examined.
- Climate targets for maritime transport should be agreed on a global level, in the IMO. Once a global emissions reduction system has come into force, the regional EU level system should no longer be maintained.
- To achieve level playing field in aviation, the EU should advance emission reductions from international flights through the International Civil Aviation Organisation (ICAO).
- The Commission's proposal to tax maritime and aviation fuels should be rejected, since these taxes are governed by international treaties.
- The availability of renewable fuels for maritime and aviation transport should be promoted in EU legislation. More clean energy production capacity is needed, and investments must be accelerated through efficient permit processes.
- Regarding the additional costs of winter shipping, the compensation in emission trading is currently entitled until 2030 for the ice-strengthened vessels. Two essential changes are needed: the compensation should be made permanent, and it should cover the actual navigation in ice of these vessels, as well.
- In the alternative fuel directive for shipping, winter shipping is entitled a permanent compensation for ice-strengthened vessels. Furthermore, an additional compensation for navigation in ice is granted but only until the end of 2034. The directive must be amended to provide a permanent compensation also for the navigation in ice.
- The green transition will rely largely on renewable and synthetic fuels, in heavy transport in particular. Thus, renewable and synthetic fuels should be acknowledged as climate-friendly fuels in EU legislation.

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