

Maritime Parliamentary Bulletin

W/C 8 November

The purpose of this bulletin is to update MPs and Peers on the latest developments in the UK maritime sector, and to provide a forward look to opportunities within parliamentary business for positive advocacy.

COP26

Clydebank Declaration for green shipping corridors

The UK has today announced the launch of the Clydebank Declaration at COP26 in Glasgow in November 2021. Signatory states declared their ambition and intent to support the establishment of green shipping corridors – zero-emission shipping routes between 2 ports.

The naming of the Clydebank Declaration pays tribute to the heritage of the City of Glasgow and the River Clyde where the Declaration was signed on 10 November 2021. The Declaration sits within the [Zero-Emission Shipping Mission](#) and is designed to complement work at the International Maritime Organization to enable zero-emission shipping.

Declaration

We, the Clydebank Declaration signatories:

Recall the long-term temperature goal of the [Paris Agreement](#) to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

Note the International Maritime Organization (IMO)'s adoption of the Initial IMO Strategy on Reduction of Greenhouse Gas Emissions from Ships, [Resolution MEPC.304\(72\)](#), which aims to align international shipping with the aforementioned temperature target.

Emphasise the importance of pursuing efforts to limit the increase in the global average temperature to 1.5°C above pre-industrial levels, to have a greater chance of significantly reducing the risks and impacts of climate change on countries, in particular least developed countries and small island developing states.

Recognise the benefits of pursuing synergies between decarbonisation and clean air policies in shipping, and building on existing measures related to the reduction of pollution from ships under the [International Convention for the Prevention of Pollution from Ships \(MARPOL\)](#).

Express great concern regarding the findings from the [Fourth IMO Greenhouse Gas Study 2020](#), which estimates that if no further action is taken, international shipping emissions are expected to represent 90% to 130% of 2008 emission levels by 2050.

Express great concern also regarding the findings of the IPCC Working Group I contribution to the [Sixth Assessment Report \(2021\)](#), which states that global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO₂) and other greenhouse gas (GHG) emissions occur in the coming decades, and hence, endorse the need for international shipping to keep accelerating its level of action.

Equally recognise that a rapid transition in the coming decade to clean maritime fuels, zero-emission vessels, alternative propulsion systems, and the global availability of landside infrastructure to support these, is imperative for the transition to clean shipping.

The signatories of this Declaration assert the need for the formation of an international coalition between ambitious governments, to act together and demonstrate that maritime decarbonisation is possible, while unlocking new business opportunities and socioeconomic benefits for communities across the globe.

Mission statement

The signatories of the Declaration are to support the establishment of green shipping corridors – zero-emission maritime routes between 2 (or more) ports.

It is our collective aim to support the establishment of at least 6 green corridors by the middle of this decade, while aiming to scale activity up in the following years, by inter alia supporting the establishment of more routes, longer routes and/or having more ships on the same routes. It is our aspiration to see many more corridors in operation by 2030. We will assess these goals by the middle of this decade, with a view to increasing the number of green corridors.

In the pursuit of these goals, with reference to the approach(es) set out in [Annex A](#), signatories pledge to:

- facilitate the establishment of partnerships, with participation from ports, operators and others along the value chain, to accelerate the decarbonisation of the shipping sector and its fuel supply through green shipping corridor projects
- identify and explore actions to address barriers to the formation of green corridors. This could cover, for example, regulatory frameworks, incentives, information sharing or infrastructure
- consider the inclusion of provisions for green corridors in the development or review of National Action Plans
- work to ensure that wider consideration is taken for environmental impacts and sustainability when pursuing green shipping corridors.

Annex A

Signatories are to facilitate partnerships to establish green shipping corridors, in which:

1. Two or more signatories to the Declaration identify and take steps with relevant willing ports, operator(s) and others along the value chain to decarbonise a specific shared maritime route
2. A signatory to the Declaration takes steps with relevant willing ports, operator(s) and others along the value chain to decarbonise a specific domestic maritime route within the jurisdiction and control of a signatory.

Voluntary participation by operators is a significant element for successful green shipping corridors.

For greater clarity, all vessels transiting a green corridor would not be required to be zero emissions or to participate in the partnerships.

In supporting the establishment of green corridors, signatories recognise that fully decarbonised fuels or propulsion technologies should have the capability to not add additional GHGs to the global system through their lifecycle, including production, transport or consumption.

Signatories

- Australia
- Belgium
- Canada
- Chile
- Costa Rica
- Denmark
- Fiji
- Finland
- France
- Germany
- Republic of Ireland
- Japan
- Republic of the Marshall Islands
- Netherlands
- New Zealand
- Norway
- Sweden
- The United Kingdom of Great Britain and Northern Ireland
- The United States of America

Clean Maritime Demonstration Competition Showcase

The Department for Transport hosted a showcase of the £23m Clean Maritime Demonstration Competition winners on the 9th November at the International Maritime Hub at the City of Glasgow College. The five selected winners outlined their plans to deliver clean smart maritime technologies throughout the duration of their projects. Robert Courts MP, Maritime Minister, opened the showcase with a keynote speech. The projects included Bibby Marine, Energia, General Electric, Acua Ocean and University of Plymouth/Princess Yachts. [Watch the recording here.](#)

Maritime Skills Commission Green Skills Forum

Last Wednesday, there was strong interest, both in person and online, in the Maritime Skills Commission's Green Jobs and Green Skills event, held as part of COP26. Chair Graham Baldwin explained that green jobs and green skills will be a continuing thread through all the Commission's work, not a free-standing project. The Commission plans to publish an initial position statement following both yesterday's event and further discussion at its meeting in December.

There was a strong emphasis in the discussion on retraining those with existing skills, on building on experience and using talent from other sectors, from oil and gas to others working with High Voltage, and a clear recognition that for many this is present tense, not future; there's a need now to adapt regulations and change training courses.

David Tyler for Artemis Technologies in Belfast, a company set up to drive decarbonisation in new technologies by applying foiling technology to small fast craft, encouraged businesses to talk to their local college: talking about Belfast Metropolitan College, he said "we've found them incredibly supportive". [Watch the recording here](#).

#NetZeroMaritime Showcase

Maritime UK has produced a new showcase of innovative activity across the maritime industries to accelerate the sector's transition to net zero emissions. [These can be seen here](#) (and searched by Nation/Region).

Other events held at Maritime UK's COP26 International Maritime Hub

Throughout COP26, Maritime UK has been hosting the International Maritime Hub in partnership with the City of Glasgow College. The Hub serves as a platform for the maritime sector to showcase green technology, innovation and capabilities from across the UK and rest of the world. The Hub is hosting both in-person and hybrid events bringing together the whole sector, with discussion focusing on green skills and jobs, ports, innovation and the launch of a [world first Liquid Hydrogen Bunkering Facility](#). Monday also saw the launch of a new Scottish Parliament Cross Party Group on Maritime and Shipbuilding. All events with recordings can be seen below:

- [Budget 2021: What does it mean for Maritime?](#)
 - [My Climate Path](#)
 - [Maritime UK Reception](#)
 - [Sustainability Seminar](#)
 - [Practical climate change adaptation solutions for ports](#)
 - [Get set for Workboat 2050](#)
 - [Maritime Skills Commission: Green Skills Forum](#)
 - [Clean Maritime Demonstration Competition Showcase](#)
 - [Showcasing: The World's First Liquid Hydrogen \(LH2\) Bunkering Facility for Fuelling Zero-Emission Ships](#)
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Maritime UK news

COP26 Transport Day: MPs back co-investment model for shore power

A majority of MPs with a view say that shore power for ships at berth in UK ports should be funded entirely by government or a combination of government and industry. Over 100 MPs were surveyed by phone in September and October. Updated British Ports Association research finds no examples of large shore power schemes without public investment anywhere in the world.

A survey of over 100 UK members of parliament (MPs) for the British Ports Association has revealed a tentative consensus for a joint model of funding for shore power in ports.

55% of those with a view said that the government has a role in supporting shore power, either funding it entirely or through co-investment with industry. 11% said it should not be funded at all if it is not commercially viable. MPs were surveyed in September and October and the fieldwork is attached to this press notice. 10% of MPs said that shore power should not be funded at all if not commercially viable. Over a fifth back the costs being picked up solely by port operators, despite this going against the UK's "polluter pays" principle, soon to be enshrined in law by the Environment Bill. [Read more](#).

Major Ports COP26 Call For 'Green Ports Fund' To Accelerate Zero Emissions Transition

The UK Major Ports Group ("UKMPG"), the trade association for the UK's largest port operators, has called on the Government to establish a dedicated 'Green Ports Fund'. The fund would co-invest alongside industry in green assets and infrastructure which are technologically proven but currently unaffordable, delivering major emissions reductions today. Examples of such investments would be the infrastructure required for electrically charging ships in ports and the new generation of electric and hydrogen powered port equipment. A 'Green Ports Fund' would see Government working alongside the industry to deliver resource efficient, zero emissions solutions and the "Green Revolution". Alongside the benefits of cleaner energy, an investment plan should also provide increased potential for jobs generation and economic investment in coastal communities. Tim Morris, Chief Executive of the UK Major Ports Group, said: "Ports are vital for a zero emissions future. They are already playing a big role today, both as key trade gateways but also as enablers for green energy. But to go further and faster we need the UK Government to replicate successful models we see elsewhere in the world and invest significantly alongside

industry in solutions that can be implemented today. Last week's Comprehensive Spending Review included more than £300 million for zero emissions transport transition. It's vital that ports and maritime get a substantial share of this funding. For example, implementing a Norway style scheme for co-investing in shore power – the electrical charging of ships in ports – in the UK could require around £185 million." [Read more.](#)

SMI Green Maritime Survey reveals big uptick in maritime engineering firms embracing decarbonisation

The Society of Maritime Industries (SMI) is issuing the findings of its 'Green Maritime Survey' as the COP26 climate change summit begins in Glasgow. The survey paints a picture of positive change in the industry with 85pc actioning green initiatives, two thirds actively involved in green research and developing green technologies and 78pc running incentives for staff to lower their environmental impact. A further 78pc said the environmental agenda is impacting the way they run their business with 93pc saying their customers are increasingly aware of the environmental impact of operations. However, two-thirds reported the Government is not doing enough to enable them to go green. SMI Chief Executive Tom Chant said the survey showed businesses are taking action 'right here and now' and there is 'enormous desire and passion' in the industry to support net-zero ambitions. [Read more.](#)

Industry latest

- Unitrove unveils world's first liquid hydrogen bunkering facility for fuelling zero-emission ships - [Energy Digital](#)
 - Wightlink plans first all-electric ferry to better its hybrid Victoria of Wight ship on Portsmouth to Fisbourne route - [The News](#)
 - UK ports demand a level playing field when new border facilities open - [The Loadstar](#)
 - £100M investment for maritime electronic warfare capabilities - [MENAFN](#)
 - COP26: sailing into sync with global ambitions - [Splash 247](#)
 - The Latest: Shipping firms seek technology to cut emissions - [The Independent](#)
 - Devon's Appledore shipyard strikes deal to refurbish RNLI fleet - [Business Live](#)
 - Clia cruise lines commit to 2050 carbon neutral target - [Travel Weekly](#)
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Upcoming Parliamentary opportunities to promote maritime

Suggested questions, statements and briefing material can be provided on request.

House of Commons

We would be delighted if MPs would be willing to use any opportunities at PMQs and Business of the House Questions to promote the UK maritime industry (these questions are drafted to be suitable as either oral or written parliamentary questions):

- **PMQs – Wednesdays:** We would be delighted if MPs would be willing to raise maritime at PMQs if they are selected in the ballot, and are happy to support in drafting a question
- **02 Nov – International Trade:** To ask the Secretary of State for International Trade what support she is providing to UK businesses that are looking to increase maritime led exports.
- **29 Nov – Department for Levelling Up, Housing and Communities** – To ask the Secretary of Department for Levelling Up, Housing and Communities what steps he is taking to support coastal communities.

House of Lords

We would be delighted if parliamentarians would be willing to table requests for parliamentary debates on the UK maritime industry, and we can support them with suggestions for these.

Written Questions

We are also happy to support parliamentarians with ideas and production of additional written questions.

Events for Parliamentarians

- **Maritime UK Christmas Party:** The 2021 Maritime UK Christmas party is to be held at Norton Rose Fulbright on Thursday 16 December. The Christmas Party will provide an opportunity for the sector to come together as a whole and celebrate what has been an important year for the maritime sector. If MPs would like to attend, please get in touch.
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ICYMI: Budget 2021

Introduction

On 27 October 2021, the Chancellor published his Autumn Budget and Spending Review, which sets out the Government's spending plans over the next three years. The title is 'A Stronger Economy for the British People' and the main message is this is a Budget that heralds "an economy fit for the new age of optimism".

The key announcements from a Maritime UK perspective are as follows:

- The extension of the Clean Maritime Demonstration Competition (CMDC) into a multi-year programme
- Reforms to the UK's Tonnage Tax regime
- Update on Freeports
- Shipbuilding developments

Further details on each of these announcements is as follows:

CMDC extension

- The Budget and Spending Review announces that the CMDC will be extended into a multi-year programme, as part of £300 million for R&D programmes to help commercialise low and zero emission technologies.
 - However, this £300 million includes other non-maritime elements, including trials of three zero emission HGV technologies on UK roads, and it's not clear from the documents published how much of this investment is ring-fenced for maritime projects.
 - At another point, the Budget states: "The Budget and SR provides £416 million of UK-wide R&D funding for programmes to help commercialise low and zero emission transport technologies, including trials of three zero emission HGV technologies, and a multi-year Clean Maritime Demonstration Competition." Again, however, it's not clear the exact amount designated specifically for the extension of the CMDC.
 - Nonetheless, the extension of the CMDC, and the restatement of the Government's commitment to a UK Shipping Office for Reducing Emissions (UK-SHORE), should be
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viewed as a positive result, considering this was at the core of Maritime UK's Spending Review bid.

Reforms to the UK's Tonnage Tax regime

- The Budget announces that: "the government will make substantive reforms to the UK's Tonnage Tax regime for the first time since it was introduced in 2000. These reforms aim to increase the number of firms basing their headquarters in the UK, boosting the UK's world-leading maritime services industry."
- Announcing this in his speech, the Chancellor Rishi Sunak stated: "So I can announce today that our Tonnage Tax will – for the first time ever - reward companies for adopting the UK's merchant shipping flag, the Red Ensign. That is entirely fitting for a country with such a proud maritime history as ours."
- This is pitched in the Budget as an example of "Seizing the opportunities of Brexit", stating: "The government will...remove any requirement for ships in the UK Tonnage Tax regime to fly the flag of any EU country now the UK has left the EU, and instead focus on boosting the use of the UK flag when determining which companies can participate in the regime."
- Additionally, the Budget states: "the government will make it easier for shipping companies to participate in the Tonnage Tax regime by reducing the lock-in period from 10 years to 8 years to align more closely with shipping cycles. HMRC will be given more discretion to admit companies into the regime outside of the initial window of opportunity where there is a good reason. HMRC will also review guidance on which vessels and operations qualify for the regime to take account of developments in technology and the shipping market since the tax was introduced."

Update on Freeports

- The Budget states that "up to £200 million" is available "to deliver eight Freeports in England, creating regions that will flourish as hubs for global trade and investment."
 - The Budget announces that the 8 Freeports announced at the previous Spring Budget will begin initial operations in November this year.
 - Whilst all 8 initial Freeports announced in the Spring Budget were in England, this Budget also states that the Government "remains committed to establishing at least one Freeport in Scotland, Wales and Northern Ireland", so further announcements on this can be expected.
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- Additionally, the Budget states: “If needed, the government may, at an appropriate point, introduce further guidance for businesses claiming Freeport tax reliefs, to reflect the outcome of ongoing discussions between the UK and EU about the Northern Ireland Protocol.”

Shipbuilding

- As part of the Home Office settlement included in the Budget, it announces “an additional £74 million capital funding over the SR21 period, as part of the National Shipbuilding Strategy, to replace the Border Force fleet of five cutters and six coastal patrol vessels.”
- Additionally, the Budget restates the commitments to increased defence spending set out in the 2020 Spending Review, including a naval shipbuilding pipeline, stating: “The Budget and SR also maintains the government’s commitment to defence as set out at Spending Review 2020 (SR20), including using local skills to grow industry capability in the UK – such as directly supporting almost 19,000 jobs in industry in Scotland, Wales and Northern Ireland. This investment includes Scottish shipyards, which will benefit from the shipbuilding pipeline including the new Type 26 and Type 31 frigates”.

Conclusion

Overall, it is very positive that maritime features relatively extensively in the Budget and Spending Review - the commitment to extending the CMDC into a multi-year programme and to a UK Shipping Office for Reducing Emissions (UK-SHORE) were both core elements of the Maritime UK Spending Review bid, showing that it landed positively within the Treasury. The investment in Freeports, and the additional capital funding for shipbuilding as part of the Home Office settlement, should also be welcomed.

However, the documents published today do not set out in clear terms exactly how much of the announced £300 million investment for R&D programmes will be provided specifically to the extension of the CMDC, which is something that will need to be urgently clarified.

The Maritime Sector - key messages

- Maritime contributes **£46.1bn to the UK economy and supports 1 million jobs** (more than air and rail combined).
 - Maritime is **responsible for keeping the country supplied** (resilience): 95 percent of British imports and exports in goods are moved by sea, including 25 percent of the UK's energy supply and 48 percent of food supplies. Investment is essential for maintaining these resilient supply chains that every constituent relies upon.
 - Ports **invest over £600m of private capital each year**, benefiting coastal economies through job creation and infrastructure investment.
 - Maritime workers are **43% more productive** than the UK average.
 - Maritime is a source of **well-paid highly skilled roles**, which pay an average of £38,000 per year - £9,000 more than the national average.
 - Globally, **the maritime sector will double to \$3trn by 2030**.
 - Maritime makes a significant contribution to **all nations and regions of the United Kingdom**.
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Maritime UK's 2021 Priorities

Over the coming year, Maritime UK intends to focus on the following priorities, both by engaging with the UK maritime industry, and by working constructively with the Government and other political stakeholders:

- **Supporting maritime businesses and the UK maritime industry through Brexit changes**, as well as maximising the opportunities that arise from the UK once again becoming an independent trading nation.
- **Boosting the export and international trade potential of UK maritime** and improving the competitiveness of the UK's business environment to attract maritime businesses.
- **Delivering regional growth** through Maritime UK's Regional Cluster Development Plans in a way that aligns with the Government's wider levelling-up agenda.
- **Demonstrating the benefits (both environmental and economic) of maritime decarbonisation** ahead of the COP26 UN Climate Conference taking place in the UK this year, with a particular focus on **innovation** – Maritime UK will be working with the Government to ensure that funding allocated for maritime decarbonisation is effectively utilised.
- **Supporting and growing the workforce** by continuing to develop our Diversity in Maritime Programme, our Careers and Outreach Programme, and our Maritime Skills Commission.

Please email barney.scholes@beyond2050.co.uk for further information. You can follow our Maritime UK Twitter account [here](#), and our website is [here](#).
