Speech for FuelsEurope Annual Conference

- The environmental challenge for the shipping industry is increasingly pressing. Although shipping is a relatively environmentally friendly mode of transport, we are committed to look at the contribution it can make in tackling Climate Change given the increasingly large volume of shipping activity.

- I encourage you to turn the environmental challenges faced by the sector to a real opportunity. Investing in sustainability and innovations is a wise thing to do. Innovations in fuel, technologies and logistics benefit both to the competitiveness and the sustainability of the maritime sector. With strict enforcement the EU will guarantee a level playing field for all players.

- The Commission, and the European member States welcomes the IMO’s decision confirming the date of entry-into-force of global sulphur limit in marine fuels at 0.5% in 2020. This found a confirmation in the recently adopted Valetta Declaration on the priorities for the EU's Maritime Transport Policy. I am confident that this decision will improve air quality worldwide and in the EU while ensuring the level-playing-field for economic operators.

- IMO will now concentrate on further work that will facilitate a safe and effective implementation of the 0.5% requirement by Administrations as well as maritime and oil industries. Proper enforcement of the low sulphur in fuel requirement worldwide will be crucial to ensure compliance by all ship owners and fuel suppliers.

- The Commission is working together with the IMO parties and with the European experts, within the framework of the European Sustainable Shipping Forum, to address safe operability of the 0.5% sulphur fuels.

- Knowing that the 2020 cap will be a game changer in terms of volumes of supplied fuel, I encourage to refinery industry to make proper investments to assure availability of the low sulphur marine fuels, preferably in advance of the 1/01/2020 to guarantee that the fuels will be available on time.

- Most of the European Member States have submitted their National Policy Frameworks for the market development of alternative fuels infrastructure, setting their own targets and objectives, which the Commission is now analysing.
The Commission invites also the industry to use a constructive approach on the infrastructure build-up for alternative fuels.

The Commission will continue to strongly support alternative fuels through EU funding/financial instruments (like Connecting Europe Facility, Horizon 2020, and EFSI), and other regulatory and non-regulatory initiatives (like the European Sustainable Shipping Transport Forum).

The Commission shares the industry’s views that climate change requires a global approach. It is in this spirit that we must together face the challenge to reduce greenhouse gas emissions from shipping. This needs to be done urgently, BUT, it does not have to hamper the sector's development.

Together we have made considerable efforts in IMO, on the adoption of a global fuel data collection system. I perceive this development as an important step, but only a first step, towards material reductions in greenhouse gas emissions beyond the limited possibilities of energy efficiency design and operational measures.

The main priority of the Commission and the Member States is to support progress at the IMO to be reflected by the adoption of an ambitious strategy on reduction of GHG emissions from ships by spring 2018, in accordance with the roadmap agreed at the IMO in October 2016.

It is very important that this strategy contains a clear CO2 reduction ambition for the shipping sector, in line with the well below 2°C goal of the Paris Agreement and a list of candidate further emission reduction measures, including effective technical, operational and economic reduction mechanisms.

The upcoming MEPC meeting in July is of critical importance for demonstrating the shipping sector's willingness to contribute to the international efforts to tackle climate change. The Commission and generally the Member States are fully committed to engage constructively in discussions with all IMO Member States, including developing countries, to find a common yet ambitious solution to address greenhouse gas emissions from international shipping. A collective response to this issue will be key in meeting the Paris
objectives and ensuring the sustainable development of the shipping sector.

- The Commission is prepared to help orienting EU funding for capacity building projects regarding climate change mitigation in the maritime shipping industry and technical assistance for developing countries. We have made a start with a 10m EUR capacity building project, the biggest project ever managed by the IMO secretariat.

**Conclusion**

- Ladies and Gentlemen, let me reassure you that there is a strong determination from the European Commission to work closely with the industry in modernising our shipping policy.

- Over the past decade, you have shown great resilience in times of crisis. Now as we look to the decades ahead, I am confident that by joint effort we can continue to overcome any challenges ahead.

- This will ensure a safe, sustainable and competitive industry for many more years to come.

- Thank you.