International Chamber of Shipping
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Leadership Insights

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Shipping at the heart of the energy transition

AET's Nick Potter discusses how the Clean Energy Marine Hubs initiative is bringing shipping, energy, and government leaders together to turn decarbonisation ambitions into practical action

Shipping must be a collaborative enabler of global decarbonisation

Nick Potter, AET President and CEO, Clean Energy Marine Hubs Steering Committee Co-Chair and Chair of its Private Sector Group, talks about shipping's role in future fuels discussions, trade, collaboration and the energy-maritime value chain.

Q As CEO of AET and Co-Chair of the Clean Energy Marine (CEM)-Hubs Steering Committee, and Chair of the Private Sector Group, where do these roles intersect, and how does your shipowner experience shape your vision for CEM-Hubs?

A They are very closely connected. At AET, we are committed to net-zero greenhouse gas emissions by 2050; investment decisions we make today will be for vessels operating well into the 2040s. We know the direction of travel, but the future fuel mix, infrastructure and customer requirements remain uncertain. We cannot wait for every answer; we must decide sensibly now while preserving optionality for the future.

My experience across energy and shipping has taught me that neither sector can solve this alone. Energy production, infrastructure, shipping and demand are connected, but too often considered separately. ICS, with the International Association of Ports and Harbors (IAPH), recognised the importance of bringing these sectors together and initiated CEM-Hubs, creating a platform for shipping to engage directly with governments and energy sector leaders on the wider energy transition.

Instead of asking what shipping needs from the energy transition, CEM-Hubs ask: what does the global energy transition need from shipping? That is an important distinction. Shipping's role in the energy transition goes beyond reducing its own emissions. It will also play a vital role in transporting new energy and fuels around the world. Bringing the energy and maritime sectors closer together – and connecting policy ambition with commercial and operational reality – is where CEM-Hubs can make a real difference.

Q What is your key message to shipowners and stakeholders about why CEM-Hubs matters right now?

A This is not just a shipping story. It is a trade story, and shipping has an important role to play.

The challenge goes beyond alternative marine fuel availability at specific ports to how new fuels and energy are produced, transported, stored and consumed globally – and what infrastructure will be required.

CEM-Hubs brings governments together with leaders from across the energy-maritime value chain to look at the system as a whole.

For shipowners ordering multi-decade assets before fuel pathways are clear and scaled, greater visibility around demand, infrastructure and trade flows will enable better, more responsible investment decisions. But uncertainty is no excuse for inaction. We can improve vessel efficiency, trial lower-emission fuels, develop new technologies and work with customers on commercially viable solutions today.



Instead of asking what shipping needs from the energy transition, CEM-Hubs ask: what does the global energy transition need from shipping? That is an important distinction

Q How would you like to see government policies evolve for countries engaging with CEM-Hubs?

A Consistency and visibility are vital for long-term investments. Governments cannot remove all uncertainty, but clear policy direction, common standards and coordinated infrastructure planning can reduce fragmentation across jurisdictions and give industry greater confidence to invest.

Industry must also bring practical evidence: what makes investments viable, where infrastructure gaps exist, what customers will commit to, and lessons from deployment of new technologies and fuels.

That dialogue is important because energy security and the energy transition cannot be treated separately. Future energy systems must lower emissions while remaining reliable, affordable, and accessible. Governments and industry have different but complementary roles to play. We need to bring policy, infrastructure and investment decisions together to turn ambition into projects that work. CEM-Hubs gives both sides a way to identify the barriers to investment and work through them together.

Shipping's role in the energy transition goes beyond reducing its own emissions. It will also play a vital role in transporting new energy and fuels around the world

Q How does CEM-Hubs' public-private framework help de-risk expensive, non-commercially viable zero-emission fuel infrastructure?

A It tackles the classic chicken-and-egg problem: producers wait for demand, while shipowners wait for fuel and infrastructure. By bringing energy producers, ports, shipping, and customers into one conversation, CEM-Hubs can help break that deadlock. Its Global Blueprint provides governments with practical guidance on demand, governance, infrastructure, and investment requirements. The value will be in using that work to identify where viable projects can get started.

But ultimately it comes back to commercial reality. At AET we know technology cannot be developed in isolation before searching for a customer. We need to understand where our customers are in their own transition, what they need from us and where we can develop solutions together.

I think the same principle applies more broadly. Technology, infrastructure, demand and investment need to develop together. CEM-Hubs bring those conversations together earlier, so that viable projects have a better chance of getting off the ground and reaching scale.

Q Are there specific examples the shipping sector should study as a blueprint for success?

A I am not sure there is a single blueprint that applies everywhere, but successful projects do share key traits.

One is bringing producers, ports, shipping and end-users into the conversation early. Another is building infrastructure around real, multi-user/sector demand rather than relying on a single fuel, customer or trade.

And a third is designing for change. Nobody can say with certainty today exactly what the global fuel mix will look like in 2040. Infrastructure and vessels need a degree of optionality, where technically and commercially sensible.

The development of LNG as a global commodity offers a useful lesson in coordination: production, shipping, terminal infrastructure, standards and commercial arrangements had to develop together over time. Tools such as IAPH's Port Readiness Level for Marine Fuels offer ports a shared framework for assessing their readiness to bunker new fuels.

Q What single global change, beyond IMO regulations, would most accelerate the maritime energy transition?

A Greater confidence in long-term demand for lower-emission energy. The ultimate hurdle is whether producers, infrastructure providers, shipowners and customers have enough confidence in future demand to commit capital at scale.

Regulation can help but cannot create that confidence on its own; we need greater alignment across the value chain.

At AET, we know we cannot wait for perfect certainty; I see standing still as the greater risk. So, we continue to invest across different pathways – LNG and ammonia dual-fuel vessels, hybrid-electric technology, lower-emission fuel trials and improving the efficiency of our existing fleet.

We remain disciplined, however, about where and how we invest, and work closely with customers to understand where new solutions can create real value.

I want CEM-Hubs to help move us from discussion to delivery – identifying promising hubs and trade corridors where governments and industry can work together to turn good ideas into commercially viable projects.

The energy transition won't be linear, and we won't have all the answers at once. But by bringing the right people together, focusing on what we can influence today and maintaining the optionality to adapt as we learn more, we can make meaningful progress.

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WITHERBYS



How charterparties are bridging shipping's decarbonisation gap

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With global regulatory uncertainty complicating shipping's energy transition, charterparty agreements are taking on greater importance in determining how decarbonisation costs, operational responsibilities, and commercial risks are shared.

As shipping faces growing pressure to reduce emissions, charterparty negotiations are becoming an important testing ground for the industry's energy transition. Owners and charterers must increasingly determine not only who pays for compliance, but how operational decisions, investment costs, and future regulatory risks should be shared.

The challenge has become more pressing as uncertainty surrounding the International Maritime Organization (IMO) Net-Zero Framework persists, even as regional measures such as the EU Emissions Trading System (EU ETS) and FuelEU Maritime impose new financial obligations. Existing contractual arrangements are being tested by regulations that do not always align responsibility for compliance with control over a vessel's operations.

The cost of decarbonisation

For charterers, one of the immediate challenges is recovering the additional expense of lower-carbon fuels from customers further along the supply chain.

"The main problem is cost recovery," says Olivier Josse, Co-CEO of Seascale Energy. "From the bunker procurement side, a charterer will only commit to a lower-carbon fuel if they can pass the additional cost down the supply chain. Without a clear global framework, most can't, especially companies at the early end of the chain, with little leverage over their own customers."

Regional regulation is beginning to change that calculation. Where emissions carry an established financial cost, alternative fuels can become commercially attractive. Elsewhere, conventional fuels generally retain their advantage.

Yet price alone does not explain the industry's reluctance to adopt lower-carbon alternatives. Josse points to cases where owners remain hesitant to approve biofuel bunkering even when it offers a financial advantage, suggesting that operational caution and regulatory uncertainty are also influencing decisions.

An underlying issue is that decarbonisation does not necessarily assign its costs and benefits to the same party. Charterers may pay for cleaner fuels while owners benefit from improvements to their vessels' Carbon Intensity Indicator (CII) ratings. Conversely, owners investing in efficiency improvements may see charterers capture much of the resulting fuel savings.

Rachel Hoyland, Of Counsel at Stephenson Harwood, identifies this as a persistent obstacle. "When it comes to the retrofitting of vessels to increase efficiency, reduce emissions costs or meet new fuel standards, the parties often struggle to navigate the 'split incentive'," she said.

Such arrangements can discourage investment even where efficiency improvements would benefit the vessel's overall performance. More effective cost-sharing mechanisms could help address the imbalance, but their success depends on whether both parties can establish a commercially acceptable division of costs and savings.

Where contracts fall short

The difficulties extend beyond investment incentives to the allocation of regulatory responsibility itself. Selena Challacombe, Legal Director at INTERTANKO, identifies a fundamental disconnect between the parties responsible for compliance and those making operational decisions.

She said: "The biggest challenge is the misalignment between regulatory responsibility, commercial cost and operational control. The underlying 'Polluter Pays Principle' is straightforward: the party making the operational decisions that affect emissions should bear the associated costs. In practice, however, that principle is not always reflected in charterparty terms."

Under the EU ETS and FuelEU Maritime, compliance obligations fall on owners or designated shipping companies, while charterers may control fuel procurement, routing, and speed. Although contractual provisions can transfer associated costs, they cannot necessarily eliminate the financial exposure of the regulated party.

Challacombe highlights risks including delayed reimbursement, fluctuating carbon prices, and payment arrangements that fail to reflect actual emissions. FuelEU Maritime introduces further complications because compliance deficits can affect subsequent reporting periods, potentially after a vessel has moved to another charter.

These issues could demonstrate why allocating liability on paper is not always equivalent to managing it effectively. Contractual provisions must account for payment security, verification, and the consequences of decisions whose effects extend beyond the immediate charter.



> Global clarity, including on the IMO Net-Zero Framework, would do more to unlock investment than any new clause
>
> **Olivier Josse, Co-CEO of Seascale Energy**

Hoyland argues that traditional charterparty clauses were not designed to accommodate the growing complexity of environmental regulation. Bespoke provisions are increasingly necessary, but their interaction with other agreements can create additional uncertainty.

Where shipowners, charterers, and managers operate under different contractual arrangements, inconsistencies between clauses may leave responsibilities unclear or introduce overlapping obligations. The challenge is therefore to create provisions that work across the contractual chain without generating new disputes.

Finding a workable balance

Addressing these tensions requires agreements that recognise the distinction between legal responsibility, commercial control, and financial liability.

Challacombe argues that contracts should reflect the decisions and responsibilities of each party while allowing owners to meet their regulatory obligations. More regular reconciliation and payment arrangements could reduce exposure to unpaid compliance costs, while agreed compensation mechanisms could address operational decisions that adversely affect a vessel's CII performance. Such provisions would give owners greater financial protection without unnecessarily restricting charterers' commercial flexibility.

For Josse, however, the absence of suitable contractual mechanisms is not the principal barrier. "In our view... the tools already exist. BIMCO has a biofuels clause, and the market knows how to write cost-sharing terms."

His argument points to a wider limitation: contractual innovation cannot, by itself, create the commercial incentives needed to accelerate decarbonisation. Without a clearer regulatory framework, owners and charterers may have little reason to move beyond existing practices.

"Things move when the incentives and economics make sense. Until regulation creates that case outside the EU and UK, there is little to push either side beyond the status quo. Global clarity, including on the IMO Net-Zero Framework, would do more to unlock investment than any new clause," he said.

Regulatory certainty may strengthen those incentives, but contracts must also remain capable of accommodating future changes without repeatedly reopening negotiations. As Challacombe concludes: "Environmental regulation will continue to evolve and new requirements must be accommodated without double counting costs or reopening the entire contractual framework each time the rules change."



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ICS in Action

A round-up of ICS news and activities over the last month

Hong Kong Global Maritime Trade Summit to return for third edition

ICS, in collaboration with the Transport and Logistics Bureau of the Government of Hong Kong (TLB) and the Hong Kong Shipowners Association (HKSOA), will host the third edition of the Hong Kong Global Maritime Trade Summit on 16 November 2026.

The event will convene prominent figures from the international shipping industry, government officials, and regulatory bodies to discuss how maritime trade can adapt to an operating environment defined not by isolated shocks, but by overlapping and persistent crises that require coordinated, practical and investable responses. Amid a time of continued heightened geopolitical tension, contested trade routes, climate-related disruption, cyber risk and growing fragmentation in the global economy, trade resilience has become a strategic imperative for governments and industry alike.

To find out more about the event, please see the dedicated webpage here or read the full press release here.

Vehicle Carrier Safety Forum publishes new Fire Drill Guidelines for Vehicle Carrying Vessels

The Vehicle Carrier Safety Forum (VCSF) has published new Fire Drill Guidelines for Vehicle Carrying Vessels, providing vessel operators with a practical framework for developing and conducting realistic, scenario-based fire response drills.

Complementing the VCSF's existing Fire Response – High Level Guidelines, the new guidance is designed to strengthen preparedness for vehicle fires on Pure Car Carriers (PCCs), Pure Car and Truck Carriers (PCTCs), RoRo and Ro-Pax vessels. The guidelines cover fire drills both at sea and in port, with scenarios ranging from initial onboard response through to incidents requiring external assistance. They place particular emphasis on early deployment of fixed firefighting systems, effective ship–shore coordination and preparing for specialist firefighting support, salvage and port of refuge planning.

ICS delegation travels to Washington D.C. for meetings with the U.S. Administration and the Consultative Shipping Group

Towards the end of September, an ICS delegation travelled to Washington D.C for various meetings with U.S. agencies and the Consultative Shipping Group (CSG) of governments.

The delegation met with the U.S. Department of State, the U.S. Coast Guard and the Office of Arizona Senator Mark Kelly, to discuss the latest challenges facing shipping and maritime trade. The key topics of discussion were freedom of navigation, the safety of seafarers, the future of the IMO Net Zero Framework, USTR Section 301 fees on foreign vessels, the U.S. Maritime Action Plan and the SHIPS for America Act. The discussions highlighted the importance of strengthening ties between governments and the industry to reach mutually beneficial solutions.

The ICS delegation also participated in a dialogue with the CSG governments to share insights on the critical challenges facing global shipping and maritime trade, including threats to freedom of navigation, the erosion of flag state jurisdiction and the future of the IMO Net Zero Framework.

Additionally, the ICS delegation participated in a joint dialogue with the CSG and U.S. agencies including the Department of State, U.S. Coast Guard, Department of Transport, Federal Maritime Commission (FMC) and Maritime Administration (MARAD). The dialogue was chaired by the CSG Chairman, Brian Wessel, and MARAD Administrator Stephen Carmel, and was attended by FMC Chair Laura di Bella. The exchange focused on the future of shipping decarbonisation, the USTR Section 301 fees on foreign vessels, sanctions and the shadow fleet.

The ICS delegation reminded CSG governments and US stakeholders of its unique membership of national shipowners' associations from over 40 countries and reiterated its readiness to help inform policy decisions by providing detailed insights from all segments of the global industry.

International Chamber of Shipping

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