Course to Zero consultation: UK domestic maritime decarbonisation

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About Logistics UK

Logistics UK is one of Britain's largest business groups and the only one providing a voice for the entirety of the UK's logistics sector. Our role, on behalf of over 19,000 members, is to enhance the safety, efficiency and sustainability of freight movement throughout the supply chain, across all transport modes. Logistics UK members operate over 200,000 goods vehicles - almost half the UK fleet - and some one million liveried vans. In addition, they consign over 90 per cent of the freight moved by rail and over 70 per cent of sea and air freight.

In our response we will focus specifically on maritime as a means of transporting goods.

1. What is your feedback on the overall ambition and feasibility of the Net Zero Strategy pathway for domestic maritime vessel emissions?

Logistics UK's ambitions for the logistics industry is for it to be:

1. Flexible and resilient.
2. Recognised for the value it adds to society and the economy.
3. Optimal in its efficiency.
4. Progressing towards zero environmental and safety negativities.

It is imperative that decision makers consider each of these four aspects when deciding new policies or supporting the development of new technologies to improve the environmental performance of freight, as each is essential to delivering a sustainable logistics industry fit for the future.

The Government's ambitious target of net-zero emissions by 2050 provides a very clear end goal. While the logistics industry supports this target, the current challenge is to identify the necessary steps required to enable industry to achieve this as efficiently as possible.

If the intermediary decarbonisation targets for domestic maritime will be only indicative rather than statutory legal targets, there is an incentive gap that government will need to address. The ambition and feasibility are not necessarily in sync, and only with clear targets and directives can decarbonising the domestic maritime sector be fully realised.

4. How should the technological transitions required to decarbonise the domestic maritime sector best be supported? What evidence do you have to help refine our understanding in this area?

If a business is going to invest in a technology, there needs to be a strong business case. This should be recognised in where funding is directed and through relevant policy making.

Government should speak in a language that logistics businesses can understand and therefore, are more likely to engage in the debate and potential technology trials.

7. What are the most significant barriers to domestic maritime decarbonisation at scale (if appropriate, within your subsector)?

None of the changes required can be done without cross-departmental co-operation within Government, and across devolved nations within the UK. Logistics UK would urge the Department for Transport to provide clear plans for cross-Whitehall engagement and policy making.

Private sector investment will only come with certainty. Until Government helps provide certainty on future technology solutions, including fuel type(s) and propulsion, operators and owners will be reticent to invest.

As fuel and energy costs increase, there is a risk that growth of shipping will be stymied, and advances in decarbonisation efforts become less achievable.

For the supply of electricity for shore power, questions remain as to who would have to pay for infrastructure changes including new sub stations and power cables, as well as the electricity at point of use.

The consultation document states that “the costs for UK domestic maritime vessels are expected to be significantly outweighed by the benefits of meeting the Net Zero Strategy pathway”. However, the burden of cost is most likely to fall on operators, with the benefits being felt more widely. Government must carefully consider what financial support is available to support maritime businesses to decarbonise.

11. What are the potential benefits and impacts of mandating or incentivising the incorporation of energy efficiency and energy saving measures on board domestic maritime vessels, where possible?

Incentives are likely to prove more popular than mandates, particularly if introduced early to support and benefit early adopters.

16. What more can the government do to help convene the maritime industry, connect, coordinate, and support its collaborative efforts to decarbonise the sector?

Ideally, all well-designed policies should create a natural business case for private sector investment; however, commercial business cases for most of the market can take several years to become affordable. For early adopters of new technologies or practices, Government will find it has a role in helping commercial businesses make a business case. This should always be an incentive-based system – so a “carrot” to help nudge behaviours, such as a grant or tax incentive – and always take into account the lifetime of the asset being invested in.

One way of supporting the sector to decarbonise would be through promotion of modal shift to water to build a market appetite, as well as certainty for the sector to invest. Ways in which this can be achieved would be through the planning system, to protect land and wharves that provide access to inland waterways. Another way is through government policy such as a water freight growth target, similar to the rail freight growth target that has been proposed and is in development through Great British Railways.

17. Does government have a role in providing advice or greater clarity on the technology and investment options for the domestic fleet?

Yes, the government must help provide clarity on this. Given the uncertainty over future fuels and propulsion, there is an understandable reticence within the sector to invest in one particular fuel or technology without clear direction. This direction can only come from Government.

21. Do you have any other comments to share with us, about any aspect of domestic maritime decarbonisation?

Government should consider the carbon emission savings of retrofitting an old vessel compared to purchasing of a new vessel. Using existing assets can be a significant benefit to the environment. It would be beneficial to allow operators and owners to be able to calculate these savings against their own emissions

22. Do you have any other comments?

Logistics UK supports the government's net zero target and welcomes the opportunity to respond to this consultation. However, the detail of how things will be achieved is yet to be defined. It is imperative that the government focusses on how the sector will decarbonise, and how government will support the sector to do so. Logistics UK would welcome a roadmap from government detailing key milestones on the course to zero for UK domestic maritime decarbonisation.

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