The shipping industry is actively pursuing net zero emissions by 2050, consistent with the International Maritime Organization’s (IMO) 2023 Strategy on Reduction of Greenhouse Gas (GHG) Emissions from Ships.

With the IMO’s initial Carbon Intensity Indicator (CII) ratings delivered from Flag States to shipowners, the shipping industry notes the CII scheme’s inadequacies while continuing to work to ensure a CII methodology that is accurate, reliable, and implemented in a manner that fully reflects the intent of the IMO Strategy for the world’s fleet of commercial ships.

To achieve the IMO’s intent, the CII scheme must reflect the true efficiency rating for each ship. A one-size-fits all instrument, as the CII is currently designed, has inherent flaws that works against its intended purpose of supporting our collective objective of reducing GHG emissions across the maritime industry.

The IMO’s Marine Environment Protection Committee (MEPC) at its 81st session in March 2024, publicly acknowledged significant concerns raised by IMO Member States and industry, recognizing “shortcomings and unintended consequences of the CII mechanism and the general agreement that these concerns should be fully considered and addressed during the CII review process.” The IMO MEPC further noted that possibly inaccurate or misleading CII ratings could result in unintended adverse consequences for some ships, particularly with respect to business-critical decisions made by the finance, insurance, chartering, brokering and port sectors.

The shipping industry is calling on the IMO to amend the current CII system to avoid unintended consequences that are contradictory to reducing overall GHG emissions. Indeed, the IMO has already received 78 proposals submitted by every sector of shipping, also calling for amendment to the CII.

In addition, we are calling for those who are considering the CII rating as a potential for decision making in the future to work closely with shipowners and flag administrators to determine whether the CII rating accurately reflects a ship’s environmental performance before making decisions.

We are also calling for public administrations, flag states, ports, and destinations to acknowledge that the current CII system has inherent shortcomings recognized by the IMO and may not accurately reflect the true environmental performance of ships.

The shipping industry will be part of the solution to these issues and we look forward to the commencement of the CII review process at the MEPC in September 2024 and continuing through December 2025. We will propose revisions to the current CII methodology and formula that will provide a better indicator of a ship’s actual efficiency.

The shipping industry reiterates its commitment to safe, sustainable shipping on clean oceans.
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