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# Maersk inks new deals as decarbonization drive continues



Maersk needs about 6 million tons of green methanol per year to reach its 2030 fleet emissions targets. Photo credit: MagioreStock / Shutterstock.com.

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Greg Knowler, Senior Europe Editor | Jan 13, 2023, 11:57 AM EST











Maersk launched two more decarbonization ventures this week, investing in a Berlin-based start-up to mass produce green methanol and linking up with terminal operator DP World in a quayside initiative to cut bunker fuel usage at Dubai's Jebel Ali hub port.

The partnerships are part of the carrier's strategy to reach net-zero emissions by 2040, a target Maersk in January 2022 <u>brought forward by 10 years</u>, warning that significant progress had to be made this decade in decarbonizing the entire supply chain if the targets were to be met.

The latest moves include the carrier's venture capital arm, Maersk Growth, throwing its weight behind climate technology company C1, which has found a way to enable the mass production of green methanol without the usual premium paid for the sustainably produced fuel.

"With current technology, powering our vessels with green methanol will be much more expensive," Maria Strandesen, head of future fuels innovation at Maersk, said in a statement Thursday. "We believe in C1's ultra-efficient catalysis to bring down the price and scale fast with their decentralized approach."

Price and scale remain the largest challenges to developing new fuels for the shipping industry, which uses more than 300 million metric tons of fossil fuels every year, about 5 percent of global oil production.

Maersk has 19 methanol-powered ships on order and needs about 6 million tons of green methanol per year to reach its 2030 fleet emissions target. It will require even larger amounts by 2040 if the net-zero goal is to be reached, so the carrier <u>is aggressively sourcing alternative fuels</u> from a range of producers.

Berlin-based C1 has invented a new ultra-efficient catalysis — the acceleration of a chemical reaction — in the production of green methanol. The company believes it will enable the mass-production of high-purity green methanol at a competitive price and will make decentralized green methanol production possible "almost anywhere."

"Such a level of innovation and attention to detail is key to success, and we believe that their technology can play an important role in decarbonizing hard-to-abate industries, including shipping," Peter Votkjaer Jorgensen, partner at Maersk Growth, said in the statement.

#### **Quayside emissions cuts**

The second decarbonization initiative Maersk entered this week was a partnership with Dubai-based global terminal operator DP World at its hub port of Jebel Ali in the United Arab Emirates. It furthers Maersk's strategy of <u>rolling out land-based green logistics solutions</u> to address onshore cargo handling that generates the bulk of emissions from ocean freight shippers.

The long-term partnership is focused on reducing bunker consumption. It is also designed to improve quayside productivity with faster ship turnaround times and will give priority berthing to Maersk vessels.

The improved port services will run alongside visibility tools to enable real-time information and the fast-tracking of cargo handling, with the improved efficiency ultimately reducing emissions.

"This collaboration will help us to achieve our goal of cutting CO2 [carbon dioxide] emissions by nearly 700,000 tonnes over the next five years," Shahab Al Jassmi, vice president of ports and terminals at DP World UAE, said in a statement Friday.

In January 2022, DP World entered a strategic partnership with the Maersk Mc-Kinney Møller Center for Zero Carbon Shipping, an independent, not-for-profit organization launched in 2020, in a research and development drive to find practical ways to decarbonize the global maritime trade industry.

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