

Global shippers' alliance to launch pioneering e-fuel ocean tender



Hapag-Lloyd was awarded the inaugural ZEMBA tender for the zero-emission shipment of containers from Singapore to Rotterdam. Photo credit: Hapag-Lloyd.

Greg Knowler, Senior Editor Europe | Nov 19, 2024, 10:51 AM EST

A group of 40 global shippers has pushed the decarbonization boat further out with its second tender to ocean carriers focusing exclusively on cargo transported on e-fuel-powered container ships from 2027.

The call made by the Zero Emission Maritime Buyers Alliance (ZEMBA) for offers from carriers will be launched in January, with ZEMBA increasing its ambition to fast-track the commercial deployment of green shipping services at scale to create a competitive market for those services.

Ingrid Irigoyen, president and CEO of ZEMBA, said the alliance of shippers was voluntarily catalyzing commercial e-fuel deployment through the next collective

tender. E-fuels are synthetic fuels produced using renewable electricity and include e-methanol and biomethane, a cleaner version of liquefied natural gas (LNG).

“Our members are demonstrating that freight buyers are willing to make multi-year advanced offtake commitments now to incentivize the creation of new markets for the most scalable solutions, which will be required for them to achieve their 2030 and 2040 climate goals,” Irigoyen said in a statement announcing the tender.

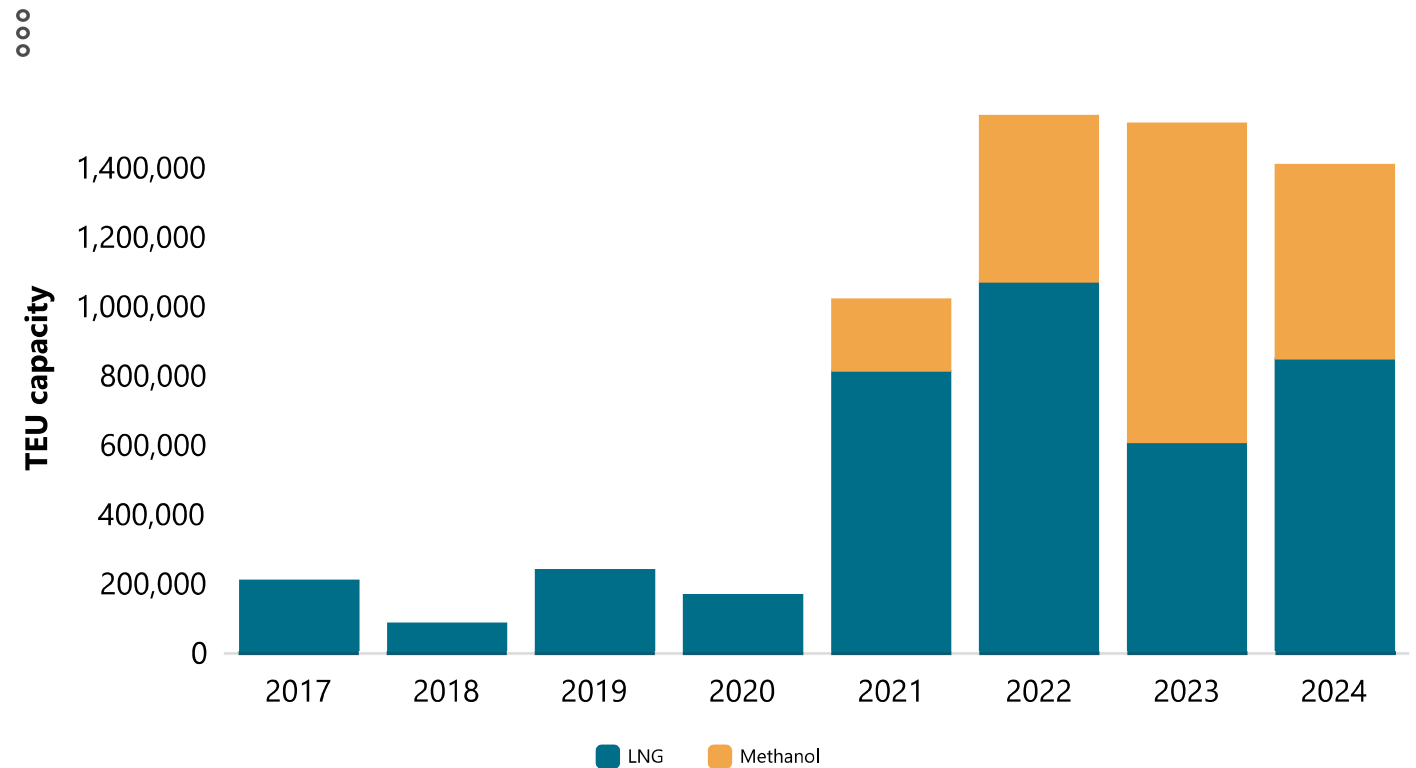
“By creating economies of scale and targeting investment in the right long-term solutions, our members can also accelerate the pace and manage overall costs of this clean energy transition,” she added.

Hapag-Lloyd in April was awarded ZEMBA’s inaugural tender for the zero-emission shipment of containers from Singapore to Rotterdam that will cover 1.2 billion TEU-miles over a two-year period beginning in 2025.

Through the latest tender, ZEMBA is aiming to compile a minimum of 80 billion metric ton nautical miles of demand for emissions reductions linked to container shipping powered by e-fuels starting in 2027. That would equate to 1.4 million 20-foot containers transported across the Pacific Ocean by e-fuels, assuming a benchmark distance of Shanghai to Los Angeles.

Fears over methanol supply see resurgent LNG ship orders

Orders for ships with alternative fuel propulsion by years (Sea-web)



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ZEMBA's e-fuel focus for the upcoming tender builds off experience gained during the inaugural tender that introduced a new very-low-emission fuel alternative to freight buyers in the maritime sector — liquified biomethane from waste. The group is seeking three-to five-year contracts for e-fuel-powered container shipping starting in 2027, e-fuel bids that achieve at least 90% emission reduction for primary propulsion, and bids from individual ocean carriers or consortiums, with ZEMBA being open to the possibility of multiple winners.

Report card slams retail decarbonization efforts

But with the ink not yet dry on the ZEMBA statement, climate and public health coalition Ship It Zero released a damning 2024 report card Tuesday grading more than two dozen retailers and ocean carriers on their efforts to decarbonize and develop zero-emission fuels for maritime shipping.

The report will make for uncomfortable reading for some of the world's largest retailers, with Amazon, one of ZEMBA's founding members, labeled as the "prime polluter." Ship It Zero data from 2019 to 2023 shows Amazon's maritime emissions increased 26% over the five years, its US air freight pollution was up 67%, delivery van carbon dioxide emissions grew over 190% and its heavy-duty truck emissions rose 51%.

"IKEA, LG, Samsung, Home Depot and Amazon wield tremendous power and influence to shape the future of zero-emission shipping, but a year after our last report card, most retailers, with the exception of IKEA, are failing," said Ship It Zero campaign manager Jonathan Butler.

"We need these companies to clean up their shipping act and commit to 100% zero-emission ocean shipping by 2030, and we call on IKEA to lead its industry peers towards a zero-emission future," he added.

The Ship It Zero report noted that Home Depot has not joined the Cargo Owners for Zero Emission Shipping (coZEV) initiative or ZEMBA, two organizations designed to bring companies together to innovate and invest in solutions for the reduction of maritime shipping emissions.

"Home Depot's absence from these initiatives demonstrates a concerning lack of commitment to investing in zero-emission maritime shipping solutions and to mobilizing its industry peers to raise climate ambitions," said Ship It Zero.

Other retailers categorized as being "at risk of failure" in their decarbonization efforts were LG and Samsung.

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