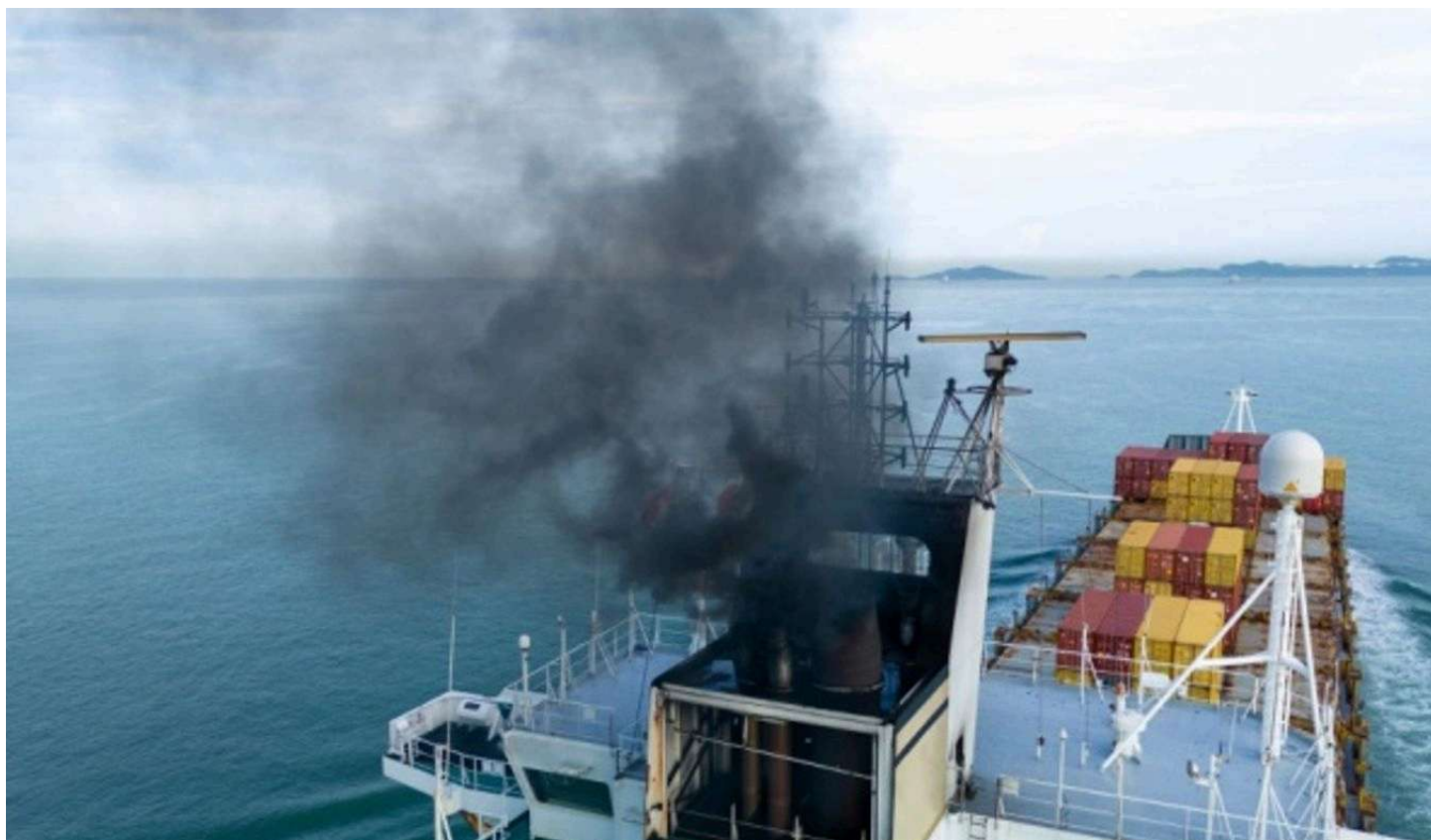


Delay in IMO decarbonization plans robs green fuel investors of certainty



Reaction to the IMO vote to adjourn the net-zero framework adoption for a year has been loud and predominantly negative. Photo credit: GreenOak.

[Greg Knowler, Senior Editor Europe](#) | Oct 21, 2025, 1:27 PM EDT

The most optimistic view of global maritime regulators punting on a new net-zero emissions framework is that efforts to derail it completely were avoided. For most in the shipping industry, however, the International Maritime Organization's (IMO's) one-year delay is viewed as a major missed opportunity to give the investment community the certainty it needs to fund the transition to net-zero fuels.

The Friday motion to delay adoption of the IMO's net-zero framework was made at a tense and combative session of its Marine Environment Protection Committee (MEPC) in London. The vote to delay was 57 in favor and 49 against, with 21 abstentions.

In the interim, member states will continue to work toward consensus on the decarbonization plans, but achieving the emissions-cutting targets agreed under the revised IMO greenhouse gas (GHG) strategy in 2023 will now be under pressure. The IMO's targets include at least a 20% — striving for 30% — reduction in emissions by 2030 and at least a 70%, striving for 80%, reduction by 2040 compared with 2008 levels. The ultimate goal is to achieve net-zero emissions by 2050.

But critics argue that the absence of a framework on how global shipping can pass on to cargo owners the higher operating costs of using low- or zero-emission fuels will likely stall investment in shipbuilding and in scaling up production of alternative fuels to replace conventional, heavy-emission bunkers. They fear that with no global pricing mechanism, there is likely to emerge a host of local carbon pricing initiatives that will be difficult for carriers to navigate.

The United States' willingness to threaten IMO member states voting against White House efforts to water down the regulations brings a challenge that wasn't present in July 2023 when the IMO's revised GHG strategy was agreed.

The US believes putting a price on carbon emissions from ships will be passed on to its consumers, increasing costs by 10%. It was what triggered the extraordinary threats by the White House that included sanctions, port fees and visa refusals against member states voting to adopt the IMO net-zero framework. President Donald Trump even weighed in on his Truth Social media platform with a post last week saying, "the US will not stand for this Global Green New Scam Tax on Shipping. Stand with the US and vote NO in London...!"

States swayed by US threats

The US was supported in its opposition to the measures by petrostates Saudi Arabia, Russia and Venezuela, with Singapore raising the idea that the regulation be delayed and Saudi Arabia calling for the vote. Pressure from the US saw Liberia, the world's largest ship registry with 16% of global tonnage, and Bahamas, home to almost 4% of global tonnage, reversing their support for the framework.

Not everyone was cowed by the US threats, particularly the tiny Pacific Island states that are most vulnerable to the climate change dismissed as a hoax by Trump.

"Don't pretend that the Pacific was voiceless. We were ignored, bullied, threatened, cornered, sidelined and harassed. But we stood tall," Marshall Islands Ambassador Albon Ishoda [wrote in a LinkedIn post](#).

“When you mention those large countries that fought for or against the framework, don’t forget that it was the Pacific Island countries and Seychelles that gave the hardest miles and took the hardest hit,” Ishoda wrote. “A year delay is a year of more devastation and displacement for our communities that have nothing to do with this catastrophe. We don’t have the luxury of time.”

There are concerns that the US considers the delay in adopting IMO decarbonization plans as a win and will use the time between now and next October to build further opposition against the net-zero framework, potentially killing the regulation. There are also concerns that the delay is a win for liquefied natural gas (LNG) that will continue to be the fuel of choice across shipping sectors.

Reaction to the IMO vote to adjourn the attempted adoption of the net-zero framework for a year has been loud and predominantly negative, particularly concerning the enormous investment required to decarbonize the maritime industry.

The Global Maritime Forum has estimated that achieving a 50% reduction in shipping's GHG emissions by 2050 will require investment of \$1 trillion to \$1.4 trillion between 2030 and 2050. If full decarbonization is the goal, the total could be as high as \$1.9 trillion.

“From an economic standpoint, introducing carbon pricing is essential to level the playing field with sustainable fuels, which are currently not economically viable,” said Rico Luman, senior economist for transport and logistics at global bank ING.

“Regardless of the timing, a pricing mechanism will eventually be necessary to drive progress in reducing greenhouse gas emissions, also as it helps funding green investments,” Luman noted.

Delay puts targets under pressure

It was a sentiment repeated time and again as the reaction rolled in following the Friday afternoon vote.

“The industry needs clarity to be able to make the investments needed to decarbonize the maritime sector, in line with the goals set out in the IMO greenhouse gas strategy,” said Thomas Kazakos, secretary-general of the International Chamber of Shipping.

Kazakos said the framework would have created the first global carbon pricing mechanism for any industrial sector, with the aim of delivering a clear path for shipping’s transition to net zero.

The delay means meeting the IMO's decarbonization targets has been made more difficult, Luman told the *Journal of Commerce*.

"The current timeline needs to be reassessed, as the projected CO₂ reductions by 2030 already fall short of earlier ambitions," he said. "As a result, achieving the 2040 and 2050 targets set out in the IMO's net-zero strategy is becoming increasingly challenging — particularly given the long investment horizons typical in the shipping industry."

Jesse Fahnestock, director of decarbonization at the Global Maritime Forum, agreed, calling Friday's adjournment "a disappointing setback for shipping" that will make delivery of maritime decarbonization targets even more challenging.

Lars Jensen, CEO of Vespucci Maritime and a *Journal of Commerce* contributor, said the main container carriers were unlikely to stray from their current newbuilding path, at least for now.

"But it will make it more difficult to convince ... investors to come in hard on green fuel production with the new uncertainty," Jensen wrote in a LinkedIn post Monday. "In such an environment, LNG just got another improvement in its relative competitiveness versus the fully green fuels."

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