

Journal of Commerce

White House sanctions threat ups ante ahead of pivotal IMO meeting



IMO member states will gather in London this week for crucial decarbonization talks. Photo credit: IMO.

Greg Knowler, Senior Editor Europe | Oct 13, 2025, 11:21 AM EDT

US opposition to the International Maritime Organization's (IMO's) shipping decarbonization plans has escalated dramatically, with the White House now threatening sanctions on countries who vote in favor of measures to cut shipping's carbon emissions.

Washington's threats of retaliation against the IMO come as its Marine Environment Protection Committee (MEPC) <u>readies to meet Oct. 14–17 in London</u> to vote on the decarbonization regulations, including the proposed net-zero framework that was agreed in principle by a majority of IMO members in April.

A joint statement by Secretary of State Marco Rubio, Secretary of Energy Chris Wright and Transportation Secretary Sean Duffy on Friday called the greenhouse gas-cutting measures a global carbon tax on American consumers that would not be tolerated.

"The NZF [net-zero framework] proposal poses significant risks to the global economy and subjects not just Americans, but all IMO member states to an unsanctioned global tax regime that levies punitive and regressive financial penalties, which could be avoided," the statement said.

If the net-zero framework is adopted, all large ships operating globally, including cruise ships, will be required to slash emissions by 17% by 2028, with steadily increasing emission reduction targets after that, or pay a fee. Shipping currently accounts for 3% of global carbon emissions.

The US has long opposed measures aimed at placing a price on carbon emissions, and on the eve of the pivotal IMO meeting, its threats of retaliation against member states backing the net-zero framework were spelled out in the statement.

"The United States will be moving to levy these remedies against nations that sponsor this European-led neocolonial export of global climate regulations," the US statement said. "We will fight hard to protect our economic interests by imposing costs on countries if they support the NZF. Our fellow IMO members should be on notice."

The US actions would include sanctions on officials "sponsoring activist-driven climate policies that would burden American consumers," imposing visa restrictions and revising quotas of maritime crew visas, and imposing additional port fees on ships owned, operated or flagged by countries supporting the net-zero framework.

Flag states supporting the IMO measures may have their registered vessels blocked from calling at US ports, with the US also evaluating the imposition of financial penalties on the flag states.

Leveling the global playing field

The targeting of vessel flag states is an indication that the US is targeting Liberia, Panama and the Marshall Islands that are home to almost half of the world's registered gross tonnage, which could play a crucial role during this week's MEPC meeting.

While much has been made about the need for a two-thirds majority vote in favor of the framework for it to pass, those voting yes will also need to control at least 50% of the world's gross tonnage. Vessels flagged in Marshall Islands, Liberia and Panama constitute more than 45% of global tonnage.

In a brief statement responding to the US threats, the European Commission said it supported the IMO's "ambitious global measures to decarbonize the shipping sector and ensure a global level playing field."

"The EU views the net-zero framework as a significant milestone and calls for its adoption at the IMO," the European Commission said.

It has taken several years for the IMO to get to this point, but the heavily compromised net-zero framework agreement has polarized the shipping industry.

Last week, seven shipowner associations <u>urged member states "to make history" by approving the net-zero framework</u> that includes the world's first industrywide carbon pricing measure.

Besides the US, opposing the adoption of the framework in its current form are Greek shipowners representing mostly the tanker and gas carrier fleet and classification societies the American Bureau of Shipping (ABS) and DNV.

Contact Greg Knowler at greg.knowler@spglobal.com.

© 2025 S&P Global. All rights reserved. Reproduction in whole or in part without permission is prohibited.

You are permitted to print or download extracts from this material for your personal use only. None of this material may be used for any commercial or public use. For more information on reprints/eprints, please visit https://subscribe.joc.com/mediasolutions/.