

## Cross Party Group for Maritime and Shipbuilding, 12<sup>th</sup> June 2023

Notes by Lindsay (Maritime UK)

Attendees: Paul Sweeney MSP (in person), Graham Simpson MSP (In Person), Stuart McMillan MSP (In person), Tim Bartosak-Harlow, UK Chamber of Shipping (in person), Patrik Zvrinsky, Office of Sharon Downey MS, (online), John Adams, UK Chamber of Shipping (online), Ruth Hall, Office of Paul Sweeney MSP (In person), Giorgio Buiterroni, Maritime UK/ SMI (online), James Trolland, Maritime Scotland (In person), Lindsay Ford, Maritime UK (online), Gordon McGuinness, Skills Development Scotland (In person), Andy Harmer (Online), Brigadier Andrew Muddiman (Online), David McVeigh, Ferguson Marine (Online), David Tydeman (Online), David Tyler, Artemis Technology (Online), Gary Connolly, ESB Group (Online), John Strang, DfT, Luke Hendrick, BP (Online), Sam Mayall, Zelim (Online, Andrew Malcolm, Dales Marine (Online), Erkan Oterkus, Strathclyde Uni (Online), Jez Littlejohns, GME Services (Online), Graeme Fletcher, Western Ferries (Online), Stuart Gallacher, BAE Systems (Online), Ben Dommett, GME Services.

Apologies; Hollie Cameron, Office of Paul Sweeney MSP, Jeremy Balfour MSP, Karri Tough, BP, Patrick Carnie, Babcock International.

### Meeting Topic: Maritime Decarbonisation and the Green Transition

#### 1. Welcome & Intros

Paul Sweeney MSP (PS) introduced the meeting as the Chair of the Cross-Party Group on Shipbuilding and Maritime. He welcomes Stuart MacMillan as Vice Convener and Graham Simpson MSP and the external participants joining online.

Apologies for Hollie who would usually present an update from the CPG on the activity since the last meeting. This will get carried forward.

#### 2. Presentation on the Shipping infrastructure

John Adams (JA) presented an overview from the shipping industry on what infrastructure is needed to accelerate the transition to green shipping. He discussed past experience at V-Ships and his broad perspective of shipping challenges and opportunities with net zero ambitions. Decarbonisation is the greatest transformation the industry will see in a generation and there are two significant parts:

1. The first is the negotiation of ICS Long Term Greenhouse Gasses ambition working Group via the IMO.

JA gave an overview of the proposal to accelerate the transition to Net Zero: as a starting point the government must close the cost gap that ports face to reach take off point by 2030. This 2050 net zero target means that the industry must tackle it's role in creating 2.5% of world

emissions, explaining that the Fuel Standard must be implemented but this must need a price point. He summarised that in order to accelerate adoption and technology a fund and reward system is needed to support R&D and green marine fuels alongside electrical bunkering infrastructure

There was a discussion on the various options for newly developed low and zero greenhouse gas fuels. JA explained how fuel consumption data coupled with the energy efficiency design index which comes into force this January - meaning that vessels must comply by Dec 2023 with engine power limitation - rating improvements to at least level C Threshold. This leads to various consequences for shipping owners; some will retire vessels earlier if efficiency is not met and some will invest in new vessels and some will keep older vessels that need to be retrofit. There are several trajectories for 2026 energy transition that cover efficient fleets, tech, ops and processing.

JA explained that COP26 ambitions have to ensure that seafarers are at the heart of the transition and will require training and upskilling to meet new demands. Opportunities abound - but in summary there is no quick fix and the Governments must prioritise investment.

Tom Harlow-Bartosak presented on behalf of the Chamber of Shipping. Scotland has the chance to be a leader of the green transition 85k jobs in ports, supply chain, education. The blueprint essentially could be in the ports and the renewable industries. With 30% of the workforce in offshore -there is much to gain from exporting skills and training

THB discussed ports can be strategic and push for unlocking funding. But any calls need to be targeted and research needs to be done to understand where the change is needed and the impact it can have. That's why the Chamber is starting a project to understand the demands in ports and map them across Scotland. Clean transition can only happen with the right infrastructure in ports and it requires coordination between national grid and power demand for shore power, placement of technology.

For example Cadet and Apprenticeships funding needs parity of funding across the UK and Scotland. PS agreed that this should be revisited and he will continue to press on apprenticeships issues and a meeting is likely with the Cabinet Secretary.

PS thanks the presenters and opens the floor to questions.

Graham Simpson MSP (GS) asked what new fuels are likely to be phased out? JA advises that the IMO emissions pathway will dictate what fuels and tech are viable. Ammonia was discussed.

GS asked who should carry a port review out? TBH advises that the Chamber is kicking off the research as its role with the sector and is keen to ensure it involves national stakeholders as well as Government and supply chain. He offers to update the group with progress.

Action: TBH will share the port readiness review with the group

PS reviews the three themes that have come through in this discussion : Port readiness, Skills and Supply chain. All discuss how the strategy needs to be tied together. The big challenge is the supply of alternative fuels and how innovation needs to sustain electrical power.

There is a discussion around Wind Power as potentially supporting this with the right interventions and scale.

Ivan McKee (MSP) asks how actions for infrastructure - can be clear on the challenge and details at a tactical level. The cost of electrical connectivity will be vast. Ports will not be in a position to make that investment alone.

There is an agreement that the CPG writing to Baroness Vere in her capacity as Shipping Minister in advance of the July IMO meeting would be a good way to make clear the asks and seriousness of the industry to take this forward. Copying in the SoS for Scotland will also be key.

Action: CPG to compile a letter laying out key points from today's discussion and sending it to Baroness Vere in the next week.

### **3. AOB**

PS reminds the group that there is a visit to HMS Balmoral this week and welcomes all to attend.

The date of the next meeting is anticipated to be in the Autumn. This will be shared soon.

PS thanks everyone for attending and welcomes further updates on this topic.