

Radicalism and/vs realism

by Przemysław Myszk

The 2024 edition of the event brought to Athens 800 representatives from across the worlds of transport and logistics, finance, the EU and the International Maritime Organization (IMO), class, and heavy-duty marine equipment manufacturing. Decarbonising shipping was by far the topic that garnered the most attention, with a particular focus put on the thorny issue of imposing regulations to give the industry a nudge in the green direction. The other part of the XXVI Euromed Convention was devoted to port development in Southern Europe, with Greece's new model that hands over port authority duties to private operators under 30-year-concessions taking the front part of the stage.

The conference was kicked off by Paolo Cuculi, Italy's Ambassador to Greece, and Christos Stylianides, the Greek Minister of Shipping. The former underscored the two countries' trade relations, totting up to some €12.6 billion by sea. Ambassador Cuculi also spoke of decarbonisation, which not only stands for making global tonnage future-fit but also encouraging a model shift from road to sea. "The sea unites," he concluded his speech by bringing a quote attributed to the Ancient Greeks.

Minister Stylianides, in a pre-recorded statement, spoke of the need for "radicalism and realism." He listed some of the most pressing today and future challenges facing the shipping and port businesses, such as the intolerable crisis in the Red Sea to which innocent seafarers fall victim, the need for robust financial backing to decarbonise transport and logistics (among others, demanding low-carbon ferries to be deployed on internal publicly-tendered routes or furnishing seaports with cold ironing facilities), or the urgency to attract new digital- and automation-savvy people to shipping and ports as well as reskill the existing workforce so that they won't feel left behind the technological curve.

Next on the stage was Emanuele Grimaldi, Managing Director of the Grimaldi Group, who also continued the topic of trade,

eco-innovations, and seafarer wellbeing. On the first of these, he devoted much of the attention to the rising wave of protectionism all around the world. In a study commissioned by the Group and carried out by the Harvard Kennedy School, some 3% of global GDP is at stake if that trend continues (and even up to 7-8% of GDP growth could be unlocked for developing countries should barriers to trade lift instead of tighten). Asked later during a press conference about his

opinion on the launch of Finnlines' new ferry crossing between Świnoujście and Malmö, Grimaldi used this example to showcase how protectionism battles free trade. On the one hand, he stressed, it was exactly state-led localism that made it impossible for Finnlines to put the new service in motion for years. He also underlined that even though there was a political shift in Poland and subsequent change at the helm of the relevant Polish seaport, Finnlines is still treated unfairly.





As such, the company is challenging in a court what it sees as excessive dues imposed by the port authority. On the other hand, Grimaldi highlighted, the service has been met with commercial success.

On the topic of decarbonising the shipping sector, Grimaldi didn't pull his punches when it comes to criticising regional regulations imposed by the EU, with the Emissions Trading System (EU ETS) and the block's FuelEU Maritime Regulation receiving the harshest backlash. Grimaldi, who also chairs the International Chamber of Shipping (ICS), called these pieces of legislation ineffective and retributive, as they do not reward the shipping sector for its greening effort; rather, they tax the most environmentally friendly mode of transport without reinvesting the funds into helping to accelerate the industry's energy transition. Here he presented the ICS' proposal, the **Zero Emission Shipping Fund**, as a means of a global mechanism for gathering the industry's contribution to cleaner shipping and rewarding those who actually put the money where their mouths are.

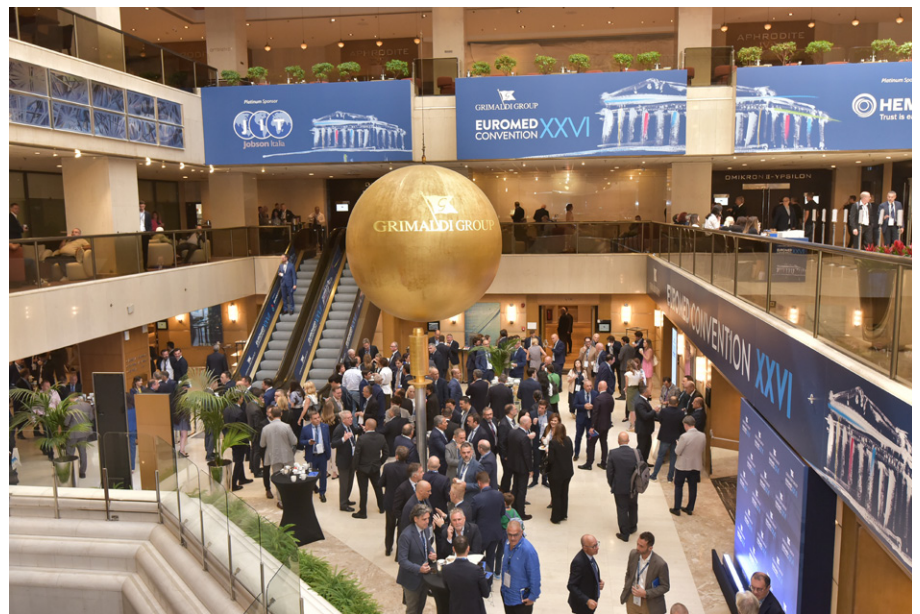
Grimaldi also talked about taking care of seafarers, praising Greece and Italy's military input to end the Red Sea Crisis as well as underscoring the need to recruit and reskill on- and offshore personnel ("making the job more sexy," as his son, Guido Grimaldi, said later during a panel debate). He also brought forth the works of the Grimaldi Foundation, which has thus far executed 400 social projects, contributing some €50m to local communities.

Grimaldi then detailed the Group's recent and future investments, including seven new ships delivered in the last two years, with another 20 under construction, including 17 pure car and truck carriers of 9,000-CEU capacity (with the Group placing its bet on the booming car production sector in China, which with an all-time high of almost 31 million manufactured more cars in 2023 that those placed 2-5 did together; not coincidentally, one of the three new agencies of Grimaldi is seated in Shanghai). Moreover, orders will

be placed by end-2024 for nine+two new ro-paxes for traffic in the Med and the Baltic (including three Superstar+ cruise ferries for Finnlines' Finland-Germany service). Among other developments, the Grimaldi Group has been awarded port authority concessions for the Greek seaports of Heraklion and Igoumenitsa (where Emanuele and Guido will take chairmanship responsibilities, respectively).

Next was the first discussion panel titled *Fostering and achieving innovation: a driving force towards net-zero emissions*, moderated by Guy Platten, Secretary General of ICS. The participants included Chris Bonnett, the Maltese Minister of Transport, Infrastructure and Public Works, Maja Bakran Marcich, Deputy Director General, the European Commission's Directorate General for Mobility and Transport, Roel Hoenders, Head of Climate Action and Clean Air, Marine Environment Division – IMO Secretariat, Ugo Salerno, Chairman of RINA, Roger Holm, President of Wärtsilä Marine and Executive Vice President of Wärtsilä, and Dario Bocchetti, Head of Energy Saving, RandD and Ship Design, the Grimaldi Group.

Holm kicked off the debate by underlining that technology for decarbonising shipping is already available, with methanol quickly becoming a business-as-usual solution and ammonia posed for the same before long. "Net zero is doable with tech," he said, however, with a caveat that green fuel must be accessible. This still isn't the case, Holm and others stressed, and the demand and supply issue will only get more complicated once other industries also start vying for those green molecules. Salerno added that every fuel, even those aspiring to be net-zero, comes with a carbon debt (of production, transport, infrastructure, bunkering, etc.) and that the only truly green energy is one that isn't used. As such, he underscored the importance of incorporating energy efficiency measures as early as in the ship design process. Grimaldi Group's newbuilds feature a number of such solutions, just to name photovoltaics, battery packs, or air lubrication (but, interestingly enough, not wind-assisted propulsion; asked about that, Emanuele Grimaldi revealed he has no confidence in this technology whatsoever – he even added that all those





rotors and sails are just for getting EU money). Salerno also noted that owners-operators face many oftentimes confusing options as to what will be the fuel(s) of the future. This is, he continued, particularly troublesome for tramp shipping since opting for a concrete future fuel choice will automatically close the door to calling to harbours that do not offer this particular bunker. In Salerno's opinion, the future will belong to fuels that either come without carbon at all in their structure or biofuels from non-edible sources (but he wouldn't be himself if he didn't even briefly mention the option of installing modular nuclear engines on board ships).

After that, the panel shifted towards regulations. What was even more interesting than what was explicitly voiced, namely the particulars of the EU ETS, FuelEU Maritime

and IMO's own works on global short-/mid-/long-term mechanisms, was the tension caught in between words. The 'rope pulling' was between regional and global rules, with all parties seemingly agreeing that the latter would be the best way forward. That said – or rather unsaid – nobody risked staking a claim that if it weren't for regional regulations, most notably those set in motion by the EU (including sulphur and nitrogen emission control areas), the shipping industry would be more than happy to sail on heavy fuel oil until kingdom come (and one day more for that matter). As such, the compromise the EU is willing to do in favour of the IMO is to review the block's ETS once the global regulator (finally) comes up with a(n) (enforceable) solution of its own. At the same time, some IMO Member States already feel resentment

towards the EU as its measures also tax trade by sea outside the block's borders and that money it collects will only go to greening European shipping (with the subsequent threat of 'exporting' the most polluting ships to other corners of the world).

Before the second panel, *The role of the public and private sectors in enhancing port activities in the Euro-Mediterranean Region*, the Grimaldi Group presented the first row of its Excellence Awards 2024 (the remainder was awarded during the gala dinner), with Hans Ahola from the Kokkola-based Ahola Transport receiving the Career Award. The debate itself, moderated by George Xiradakis, Managing Director of XRTC, included Minas Papadakis, CEO of the Port of Heraklion, Pino Musolino, Chairman of the North-Western Ports of Italy, Andrea Annunziata, Chairman of the Central-Western Ports of Italy, and Guido Grimaldi, Chairman of the Igoumenitsa Port Authority and President of Associazione Logistica dell'Intermodalità Sostenibile (ALIS; the Sustainable Intermodality Logistics Association).

The discussion was initiated by Musolino, who said that decarbonisation is as much a public as it is a private goal that is best realised by better services that, in turn, stem from constant research and development. Musolino's words were echoed by his fellow port colleague from the Central-Western Ports of Italy, who underscored that business is what drives investments. Next was Guido Grimaldi, who went at length (and without mincing his words) why, in his opinion, the shipping business became the regulatory 'whipping boy.' After giving the EU ETS and FuelEU Maritime a hammering, he reiterated his father's assertion that "what comes from the sea should go back to the sea." It makes no sense, Guido Grimaldi expressed, to tax shipping and give nothing (or a trickle) in return. EU regulations as they function now will, in his view, result in a modal backshift, with cargo flows increasingly going by trucks, a transport sector that's not forced to account for its externalities that negatively impact the environment, infrastructure, and people. Musolino took up the baton and warned Europe to stop spinning its "eco fairy tale" and instead focus on sound (public-private) investments that tackle global issues in a global manner. This topic – and the assertive way of talking about it – was later also present during the press brief with Emanuele Grimaldi, who blamed the EU for decreasing its own competitiveness and blunting the edge of the continent's industries through ill-thought-out policies as well as protectionism ("the last breath of a dying man," as he vividly described any doomed to fail actions to stifle free trade). ■