



HOUSE OF COMMONS

Transport Committee

Oral evidence: [Maritime 2050: implementation, objectives and effects](#), HC 160.

Wednesday 11 May 2022

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[Watch the meeting](#)

Members present: Huw Merriman (Chair); Simon Jupp; Grahame Morris; Gavin Newlands; Greg Smith.

Questions 65–93

Witnesses

[III](#): Gavin Simmonds, Director of Policy – Commercial, UK Chamber of Shipping; and David Kennedy Browne, General Manager, Maersk.



Examination of witnesses

Witnesses: Gavin Simmonds and David Kennedy Browne.

Q65 **Chair:** We now have our final panel. I ask them to introduce themselves.

Gavin Simmonds: Good morning. Thank you for the invitation to give evidence today. My name is Gavin Simmonds. I am policy director for commercial issues at the UK Chamber of Shipping. It is probably worth making clear that the UK Chamber of Shipping is exactly what it claims to be. We have approximately 200 shipowning members and members working in the maritime business sector, as well as maritime services.

It is worth emphasising that the UK is still enormously influential in international shipping. In our membership, we have strong representation from companies and major global brands in all the different shipping sectors, from cruise to passenger ferries and pure ro-ro, to wet and dry bulk, to specialist vessels operating in the offshore sector and coastal shipping.

Chair: Thank you, Gavin. Good morning to you.

David Kennedy Browne: Good morning, Chair and Committee. Thank you for the invitation to give evidence. I work for a company called Maersk. We have traditionally been recognised as a large shipowner and vessel operator. Particularly now, our transformation is leading us to be the integrator of container logistics, which very much fits in with Maritime 2050 as part of the integrated end-to-end offering for our country. My role in the business is building innovative solutions, and working with customers, suppliers and authorities to develop them.

Q66 **Chair:** Excellent. Good morning to you, David. Thank you very much for being with us. It is great that you had a chance to listen to the evidence that went beforehand. I will go through the four themes we have been looking at: trade, competitive advantage, infrastructure and the environment.

Before we move to trade and competitive advantage, which Greg Smith will take us through, I have a brief opener. We talked about Maritime 2050 and we have heard about some of the benefits. Do those benefits apply to the shipping side as well as the ports side?

David Kennedy Browne: Absolutely. As one of the earlier witnesses said, they have built their strategy very much in line with the seven themes of Maritime 2050. We have not necessarily done that as Maersk, but when you look at our vision and what we are setting out to achieve in our mission, they tally very nicely together.

The key, and most important, thing is sustainability and our ESG agenda. Linked to that are people and digitisation technology. It all lines up perfectly.

Q67 **Chair:** There is nothing in it that you fear from a commercial perspective.



David Kennedy Browne: No.

Q68 **Chair:** Gavin?

Gavin Simmonds: Absolutely the same, Chair. The Chamber has been enormously supportive of the Maritime 2050 strategy. We were a founding member of it. We wanted Government to connect up across Departments and deliver a long-term strategy. It became evident in our discussions that that was going to be led environmentally, and that still remains the case and is the absolute imperative. We are very comfortable with the way in which the other themes were both originally expressed and have been followed up consequently. It provides a very resilient framework.

The previous witnesses today commented on the unprecedented structural challenges facing the industry in the experiences of the last three years. I think the strategy has managed to rise above all of that and remain as pertinent and valid now as ever. It is vital that we continue to refresh it. We welcome the Committee's interest.

Chair: We are very interested. On that basis, let us start to drill into some of the themes with Greg Smith.

Q69 **Greg Smith:** Good morning. We are in a place where, having left the European Union, we have set our own trade policy for the first time in decades. New trade deals are already being signed around the world. We have seen Australia and New Zealand. There is a lot of talk about India. There is a lot of talk about the United States, perhaps individual states to start with as opposed to the whole country.

Is the shipping industry ready for these new trade deals coming on board, and hopefully a greater movement of goods between the United Kingdom and countries around the world? Within that, we have seen in recent years a shift of the epicentre of supply chains eastwards. How do we rescue that, back more towards the United Kingdom?

Gavin Simmonds: The first part of the answer is about the Government's very ambitious post-Brexit, post-trading co-operation agreement work on numerous free trade agreements. We have been, probably as a result of Maritime 2050, continuously engaged with the Government on shipping issues.

Shipping has a number of interests in FTAs. There is often a specific international maritime transport services chapter in an FTA. Various other parts of FTAs are of great significance to shipping, around the movement of people and the ability to set up overseas offices, licensing and taxation arrangements, qualifications and indeed other sorts of commercial licences.

We have been enormously busy with DIT on, I am afraid, a lot of the detail in what are very complicated agreements. I work under a non-disclosure agreement with DIT, as do a number of my colleagues, and I



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sit on a trade advisory group looking at each individual country negotiation. I also sit on a cross-cutting services thematic group—wonderful name; apologies for its length—that tries to pick out some of the smaller issues that feature across sectors, like professional qualifications and mutual recognition, as well as customs and other specialist items.

We feel very well engaged, but it is an extremely ambitious programme. It is fair to say that shipping can be quite a contentious national issue. With the United States and Australia there are very clear established shipping positions that tend to be quite protectionist. We have sought to reduce those protections and build in improvements to the maritime services chapters on what was available to us under the EU agreements that normally covered those trade arrangements.

I think we have done quite well in the last couple of years to find some significant advantages and concessions. We are seeking to do that with every single country. I do not think they are going to translate immediately into enormous volumes, but my colleague will no doubt comment on that. It is very important that we have those freedoms so that UK companies and UK ships remain globally competitive in what is obviously still a global market.

Within that complicated picture we hope to gain particular advantage if we have a very positive agreement with Australia, New Zealand and Canada, where we might even see the return of dedicated services to those sorts of destinations.

Q70 **Greg Smith:** On the point about the epicentre of supply chains having moved eastwards in recent years and some of the new freedoms that you spoke about, is there an advantage to the United Kingdom in being able to pull the epicentre back a bit closer towards us?

Gavin Simmonds: It is difficult to see that immediately, but it is very important that we develop the right regulatory environment. Depending on where the environmental agenda takes us, we may find that there is increased use of home sourcing. It may become slightly less popular to source goods from very distant locations, and smaller markets may develop.

Obviously, having recently left the European Union, which would be an illustrative regional market, we are in a very new and different position. I think we have to look at all those opportunities to maximise the UK's benefit from our new freedoms.

Q71 **Greg Smith:** David?

David Kennedy Browne: I am going to try to answer both parts of the question together, wrapped up in one, because they are so interlinked. Are free trade agreements going to be beneficial for us and for our customers? Absolutely. Are we ready to take on the business that that will generate? Yes, absolutely. Are there problems that could arise as a



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result of other things going on in the world which could hamper that? Yes, absolutely.

When we look at the flow of goods that we have experienced in the past couple of years—I know the panel has already talked about Covid and other related disrupters in the past two years—we have seen different patterns emerging. Before Brexit, when we stood looking forward to some of these new trade agreements, we started to envisage the patterns of trade that we might find. Of course, with Covid, Suez and the other disrupters, those patterns have changed. We have all seen buying patterns change, as well as the flow of goods.

While there are some positives that will come from the trade agreements and the shipping communities able to cope with those—I am speaking in particular from a containerised perspective—there are other factors which can disrupt. What we have also seen with Covid is that many of our customers who had outsourced their supply chains to the far east years, if not decades, ago could not get goods in. On the points that were made by the earlier witnesses about how Covid has affected the market, they spoke about ports or other parts of the industry, and they have all coped admirably, but if there were manufacturers sitting in front of you, or importers of fresh products, they might tell a different story. They have had an incredibly tough time in not being able to get parts, maybe from China.

What we are seeing now is a development towards multi-sourcing, where they still maintain some sourcing in the far east and Asia but try to find some a bit closer, and dual sourcing, so that they do not rely just on one, or even completely near sourcing. Of course, all of that takes time, and you will probably still see with specific commodities that the buying public will be able to have greater choice—an imported model of washing-machine, for example, or one that is locally made, which is now something that is coming back to the fore.

Q72 **Greg Smith:** If I can come back on that, very briefly, as I understand it from a number of businesses I have spoken to, clearly Covid had a huge impact, particularly on getting parts from the far east to the UK, and there is still a much longer lead time to get a container on a ship coming from, for example, China to the United Kingdom. How long do you think it is going to take for that to get back to pre-pandemic order times?

David Kennedy Browne: I do not think that we are ever going to see a return to supply chain pre-pandemic. From what I see from the customers we deal with, the ones who are accepting that and changing will be the ones who are more successful because they understand that, while for decades they may have had a reliable supply chain that they could build their automotive manufacturing on without incident, in 2021 they might have had line-shuts four times, which they had not had in the past 20 years.



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Thinking, "Oh well, when this all blows over we'll get back to the way it was," is not really the most sensible approach. It is understanding agility, having visibility and using technology to understand where the parts are at any given time. It was not just Covid. When the Suez was blocked, as was mentioned earlier, some customers found that they did not actually know where the products were, so they did not know what to speed up and what to slow down. Having visibility through technology will allow them to manage that.

At the moment, or in recent weeks, we have seen an increase of Covid in certain parts of China, so that has delayed things there, although warehouses have still been operational and truckers have still been able to move if they have the requisite documentation.

I can answer that question when we know when Covid is going to die down in each of those locations.

Q73 **Greg Smith:** Fair enough. We will move away from that specific question and talk about the UK's shipping concierge service. How does that aid the UK's competitive advantage, Gavin?

Gavin Simmonds: This is a really good and important development and innovation by the Ship Register. To set it in context, which is difficult, the UK register probably lost 30% of its tonnage in the years around Brexit. Shipping companies have three questions when they register their ships. Where do they register the ship? Who classifies the ship technically, and where does the funding, the mortgage, come from?

We had a very settled model within the EU, when we were part of the bigger market that I was describing. It was quite easy to get those three requirements in alignment to decide to flag your ship to an EU flag. The UK was a very good flag. It remains a very good flag, but it does not quite have that wide flexibility and appeal, so it is absolutely vital that we increase its attractiveness. The concierge service is exactly what you would expect in a five-star hotel. It means you are greeted as soon as you come through the door and are shown what the register can offer.

It is vitally important that not only the concierge service but the technical surveyor service, which ultimately delivers the customer service to shipowners, is of the highest possible global standard. That is an area that needs continuous attention. A lot of competitor flags outsource a lot of their technical work to recognised organisations. Those are classification societies. In industry, it is fair to say that those ROs are very often quicker at delivering services than the traditional flag registers. That is the challenge for the UK Ship Register.

The concierge service demonstrates that they are up for the challenge. They are a very important part of Maritime 2050. If I can just make this link, I know that today is not about people and employment, but if we can regenerate a larger, attractive, globally competitive, UK registered fleet, with that will come not only maritime services for London but



employment, training and quality jobs for seafarers. That is our vision in 2050.

Q74 **Greg Smith:** That is a comprehensive answer; thank you. David, do you have anything to add?

David Kennedy Browne: I do not really have anything that I can add beyond that. It is understanding the attractiveness and, by comparison, understanding the attractiveness of certain other flags which might be on a par, discounting the easiest ones. It is understanding what the differences are.

Chair: Do you want to cover the smart shipping point as well, Greg? No. I am trying to bring you in too early. I will bring in Grahame Morris to touch on the UK flag and the tonnage tax.

Q75 **Grahame Morris:** Thanks, Chair. You have already touched on the issue that I was going to put to you, Mr Simmonds, in relation to getting more British flagged vessels. We have had both the Secretary of State and the shipping Minister making a clear commitment to more British flagged vessels. Is that realistic? Is your vision, in the answer you have just outlined to my colleague Greg Smith, when you said it was about making the British flag more attractive, based on driving down the wages of the seafarers who would crew those ships?

Gavin Simmonds: Not in any part of it. Within the Chamber of Shipping we have the Merchant Navy Training Board. We are committed to optimising training. We are in very close conversations with both the MCA and training colleges around the UK. Again, this has been brought together powerfully by the 2050 strategy.

You are right to identify that the Chamber of Shipping is, to an extent, flag blind. We have to recognise that 60% to 70% of UK shipping income is from international trading vessels that never touch the UK. It is a global industry. It would be preferable and desirable for those to be UK flag, but we cannot insist on that.

Q76 **Grahame Morris:** We had quite an interesting session on 24 March with P&O and Peter Hebblethwaite. He made some interesting statements regarding the wage rates. These were from vessels that were operating out of British ports. P&O, justifiably, have come in for some criticism because of their management practices and recruitment policies.

I want to come on to tonnage tax in a moment. Clearly there are at least two distinct camps. You mentioned the various sectors and the opportunities that Chris Shirling-Rooke mentioned that were presented by the growing offshore sector, if we maximise those for British-based employment. There are companies that are trying to work with the trade unions—I could identify them: Stena Line and DFDS, for example—to reach an agreement about the rates that could be paid. However, P&O Ferries are not unique in not going along that route. Of your 200 members in the Chamber of Shipping, which of those factions is winning



the argument?

Chair: Bearing in mind that we are doing people next time, I do not want to get too people-based today.

Grahame Morris: You mentioned people, so I wanted to—

Gavin Simmonds: It is a fair, if difficult, question. I will try to answer it briefly. There is immense parliamentary and industry attention following the P&O dispute. Yesterday, I had a meeting with the shipping Minister. He said that he was angry and shocked at the behaviour of P&O. That accurately reflects the view of the whole of the Chamber of Shipping.

We are in a very difficult position. We are working continuously with Government to identify a way of implementing the undertaking that the Secretary of State gave about nine measures to improve things. The companies that you mentioned are all in our membership. We are in an advanced stage of delicate negotiation as to how we can address the different models that are operating in the shipping sector. As part of 2050 we are obviously driving towards a high-quality, higher-cost model that delivers real opportunities and increases the number of UK seafarers, but we have to be careful that we do not get prescriptive and extreme over the degree of UK content. Conversations around those sorts of balances are progressing very positively.

Q77 **Grahame Morris:** There were some interesting answers in the earlier panel that you listened to about spreading the cost. We are looking at environment as one of the principal pillars. The unit cost of moving large cargoes by sea makes far more sense than doing similar journeys by road or even by rail. There are similar arguments to be made in terms of getting the maximum value to level up and provide opportunities for the UK, but this is your evidence, and I am not putting words in your mouth. I am just trying to ease this out.

Can we move on to tonnage tax—

Chair: David is keen to come in before you go into that.

David Kennedy Browne: Unlike the chamber, I only represent myself and our business. On the question of attractiveness being linked to wages, of course that may form part of a decision on what makes something attractive, but it is much more than that. Speaking from our perspective, on our ESG agenda—the environment, social and governance for our business—we will not be successful if we do not look after our people and give them the very best training. I know that we are going to come to people in another session, but I want to underline this point on behalf of a shipowner. We believe that it is vitally important that our people, along with technology, are going to make us successful for the future.

Q78 **Grahame Morris:** David, tonnage tax is a bit of a misnomer. Really it is a tax concession to provide training in the past, just for UK-based officers. The argument is that it should be extended to all seafarers,



including ratings. Is Maersk one of the companies that benefits from it?

David Kennedy Browne: Not currently, no.

Q79 **Grahame Morris:** What changes would you like to see made to tonnage tax? It is a laudable aim. I was really quite impressed by our first witness and the training academy at the port of Tyne. I have never been there, but it sounds just the ticket for identifying areas of deficiency, training people and providing opportunities. Maersk is such a large operation. Is it something that you would be—

David Kennedy Browne: Absolutely. We will make use of academic institutions and some of the other things that are available in the country. We also have our own training division which we use for training our own staff, and for training other organisations as well. Perhaps, if we are invited to the future session on people, we could go into that in a bit more detail.

Q80 **Grahame Morris:** Excellent. Mr Simmonds, can I ask your views on tonnage tax while we are in this section? How would you like it changing on behalf of the Chamber?

Gavin Simmonds: We were delighted that the Chancellor included an announcement about positive changes to the tonnage tax in last year's autumn statement. There were a number of technical changes consequent on the UK leaving the EU, but there were some small tax improvements that simplified things and made the regime more accessible.

There are two major items of work in which we are involved at the moment. One is to improve the training commitment that you referred to. The other is to possibly extend the tonnage tax to ship management companies. There is a complex area of support companies, business and technical activities around any shipping operation. We find that in global companies the big names are increasingly deciding to centre certain business centres in one location or another to deliver a global model. You might have your crewing, technical and commercial or retail centres in different locations. We are trying to bring that together in tonnage tax so that the UK offering is as competitive as it can be and we do not lose those sorts of companies and services to competitor nations.

Grahame Morris: Thank you. I know that time is short. I will hand back to Greg or Gavin.

Chair: You can hand back to me. I will bring Greg in on smart shipping, which is what I tried to do prematurely beforehand.

Q81 **Greg Smith:** On the question of smart shipping technology, in the first panel we heard about its importance. We have equally heard, particularly in the written evidence, that the UK commercial shipping sector is somewhat off the pace when it comes to developing this technology. Is that fair, or is the UK further ahead than some of our written evidence suggests? What will it actually take to get the UK shipping sector to use



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the absolute cutting edge of smart technology, both for a competitive advantage and to be a global leader? Perhaps David, first.

David Kennedy Browne: I was looking to Gavin, hoping he was going to answer it.

As I said, technology is one of the key elements for us, along with our people, for success in the future. Although Maersk is known as a vessel operator and shipowner, the technology that we are investing in goes far beyond that and, for many of our customers, will start quite literally at the farm and could end up with the product being consumed at the end point. We manage the information that goes across the whole piece. Equally, we move the physical goods along that journey as well.

We need to achieve a variety of things within that. Some of it is maritime, but a lot of it is outside maritime. From our perspective, we have centred a lot of our IT and tech development here in the UK. We have a very large facility in Maidenhead, which is our global headquarters. Just as Gavin was saying, big organisations like to centre things in places, and we have ours in Maidenhead.

We are talking about blockchain and encrypted ability for moving documents to get cargo moving more freely, but equally we are looking into what it means for our vessels as well. We are very keen to find as many ways as we can of automating processes and functions in the container ships and in our tug fleet. We have a brand called Svitzer which does a lot of ship tugs around the world and in the UK. While, at the moment, we are not looking to expect any autonomous container ships in the close future, anything that we can do to make more efficiencies in the running of the ship, which will then have efficiencies, for example, in fuel consumption, is probably the short-term advantage of where we are looking to take smart shipping.

Looking at tugs, for example, there have been trials of remote control but, again, we are not ready to get to that stage yet. The things that come through, like the sensors that come from car and automotive technology, could equally be put on to tugs to measure proximity and get them working more efficiently as well.

Q82 **Greg Smith:** Thank you. Gavin?

Gavin Simmonds: That was a very comprehensive answer. I will add a short comment. This is an important part of 2050, but I think it shows that the member organisations of 2050 have areas of tension and disagreement. Smart shipping is being commercially driven, but it is obviously being driven by equipment manufacturers as well. It is great that the UK is strong in that area, and technology is being put forward to meet shipowners' needs and go beyond that.

Shipowners are cautious. They are cautious in terms of regulation. Obviously, ships are operating in a very difficult physical environment, and the safety of seafarers is our absolute priority. It is not easy to swap



jobs that are difficult professional roles with technology without a good deal of testing and experimentation. We are going through that phase and there are some smart technologies that will be taken up quicker than others.

The challenges around autonomous shipping are absolutely enormous. Whereas there are some functions on board a ship that are best carried out by systems and technology rather than seafarers—unmanned engine rooms are a much safer solution than having mechanics working around machinery all the time—we will be guided by our regulator and probably move quite carefully and slowly in this area. Blockchain and digitisation are much easier. Data exchange is very important.

Q83 **Greg Smith:** That is really helpful. David, I see that you want to come back in. Of the smart technologies that are being developed that are safe and are within either our own regulatory framework or other countries' regulatory frameworks at the moment, can you give me an example of who is out there ahead of the game? What is the functionality? How does it improve commercial viability, safety or time of goods movements?

Gavin Simmonds: I cannot give you technical examples, but to try to answer your question, we have a very close relationship with Norway and their shipping authorities. It is a very good model. It is almost as if they have been working with a 2050 strategy for several decades.

Their offshore sector is very well connected to their regulator, so they are able to get approvals to do things and perform offshore activities in different ways probably faster than we can in the UK. Interestingly, we argued for a particular paragraph in the Norwegian FTA that allowed an exchange of information. Those are the sorts of joint ventures with other countries where we can develop best practice around incorporating technology in all the things we do.

Q84 **Greg Smith:** That is really helpful. David, you want to come back.

David Kennedy Browne: To answer the previous question as well, perhaps I could write to you with examples of some of the pilots that we have done.

The point I was going to make was to draw the link between smart tech and making the UK an attractive flag. Linking it to your future session about people, this is going to mean, as Lucy said earlier this morning, that the people we need to recruit will be very different sorts of people from the people who were recruited when we came into the industry. With smart tech, and as the legislation, governance and even fuels change, we will need to bring into the sector a very different sort of person than perhaps we have done historically. That links all those pieces together.

Greg Smith: Perfect. Thank you.

Chair: The last section—we have touched on it—is the environment with



Gavin Newlands.

- Q85 **Gavin Newlands:** I will start with the same question that I asked the last panel. The clean maritime plan is being updated, hopefully this year, but that remains to be seen. What would you like to see changed in it? Is there something that is not in the current plan that you would like to see in the updated version, or is there something that needs changing?

Gavin Simmonds: I am not aware that we require any changes to the clean maritime plan. Again, 2050 has brought us together with the Department for Transport. We are working very closely with them. The UK Chamber of Shipping was the first national shipping association to publicise its ambition to achieve net zero by 2050. We did that ahead of last year's November COP. Since then, other national and international associations have followed suit. We are almost playing catch-up between the national and international agenda at IMO. At national level, my understanding is that the clean maritime demonstration plan is delivering on national commitments, and we are working with MCA on that. I do not think there are any shortcomings.

- Q86 **Gavin Newlands:** The Committee visited IMO and had a good discussion about the international targets and the IMO updating targets. From the Maersk point of view, are there any changes to the UK domestic clean maritime plan, David?

David Kennedy Browne: If I can be as cheeky as my colleague from the last session, it would be just to change some of the agility in the vernacular. You said just a moment ago, "if we can get to it this year." I think we really, really need to. If we do not make changes in this decade, we are not going to make it. As Gavin said, the direction is there; we just need to speed it up. It is very much the direction in our business to have zero greenhouse gases. We have actually just increased our ambition levels from 2050 to 2040, so we are making those changes now. Our first vessel to burn green methanol will be sailing next year. In the following year, we will have another dozen, much bigger, vessels.

The difficulty we have had with that is that we have not had the fuel. We had to go out and create the fuel and the ships. The fuel companies did not have the fuel because nobody was building the ships, and nobody was building the ships because there wasn't the fuel. We are trying to get the snowball going. If we do not make those changes in 2023 or 2024, we are never going to get to 2040 in our case, or 2050, so I encourage haste.

- Q87 **Gavin Newlands:** You mentioned the ship. This is not something I personally ascribe to, but some people think that in a transport decarbonisation strategy—the DfT's strategy—perhaps from the maritime point of view, the focus is too much on ship emissions. Would you agree, or is that an unrealistic point? What else do you think we could be looking at in maritime to make these savings?



David Kennedy Browne: I think it is across the piece. Yes, in the shipping industry I think some of the information that was shared at COP26 was that, globally, the shipping industry makes 3% of carbon emissions. That is in itself huge. Beyond that, onshore, we have seen terminals operating at and setting targets for zero emissions. I think I am right in saying—I might need to write to you with evidence to prove it—that one of the terminals we operate from in the UK had a day or a week recently when they had completely used renewable energy. It is achievable. It is beyond ship; it is onshore.

From our perspective, as I laid out earlier, we are looking end to end. We want to make sure that we can have green lanes right from origin through to destination. We talked about freeports earlier in the day. We are looking at having rail links where we can move 60 boxes on a train rather than 60 boxes with 60 drivers to get inland to a freeport, where we can then distribute them with electric trucks, for example. To do that we need to link all the pieces of infrastructure together. It all comes back to the emissions as well.

Q88 Gavin Newlands: To move to the Clydebank declaration from COP26, we were told there would be at least six decarbonised shipping routes by 2025. Are you aware of any progress on that at all?

Gavin Simmonds: We supported the Clydebank declaration and we have been working on it with DfT since November last year. It obviously has a broad membership. There are Canadian and US projects happening already. We are in the second phase. We are fortunate in the UK because, obviously, the other signatories are at the other end of our shipping route. There are neighbouring and EU countries. We are in the middle stage of a discussion about which routes realistically can become green corridors.

We know that the actual ship voyage—the marine part of shipping—is difficult to decarbonise, so that will take time, but we think the Clydebank declaration is a really good mechanism. We are setting up a group to share international knowledge around implementation.

Q89 Gavin Newlands: Do you think it is doable, David? Will there be at least six routes by 2025, or is it unrealistic?

David Kennedy Browne: It is certainly possible. When we look at our ambitions, which are slightly further out, to 2030, we will have reduced our greenhouse gas emissions on the ocean by 50% from a 2020 baseline, and by 70% at our terminals; around the world we are involved in terminal business as well. By 2030, it is our ambition that a minimum of 25% of all the cargo that we move will be completely with green fuels. I am talking on a global basis. Whether or not we can narrow that down in 2025 to those six lanes particularly being green, hopefully it will all add up to delivering that sort of thing.

Q90 Gavin Newlands: Obviously, the green shipping corridors require willing



operators like yourself and willing ports. Is it your understanding that that is the case, or is there still some resistance in the industry to what we are trying to do with the Clydebank declaration?

David Kennedy Browne: I have had nothing but support from the terminals that we are involved in. As I mentioned earlier, one of them was telling me recently about how they were already using completely renewable fuel for all the machinery that they have in port. I have not seen anything like that from any of the terminals that we are involved in.

Q91 **Chair:** Gavin and David, thank you very much for your evidence and for closing this morning's session.

David, you touched on writing to us. It would be interesting to get some of the further evidence that you touched on, but we did not have time to go through on people. You also touched on infrastructure. I am really interested as to what effectively acts as a blocker at the moment for your goods coming into the UK and then spreading across the UK, and how we can unblock some of those things.

David Kennedy Browne: It was one of the key things that I wanted to say and you did not ask a question that allowed me to answer that.

Q92 **Chair:** Go for it. Are there any closing thoughts, David?

David Kennedy Browne: Earlier, we spoke about our customers who had had difficulties. We spoke about the ports that had done admirable work. There is one thing. Through the past two years, which have been very difficult, especially in 2021, the DfT has created a fortnightly group that gets together. It involves the ports, the carriers and other service providers. While we have not solved all the problems, that communication has been key.

When we look towards Maritime 2050 and the other initiatives that are going on, that level of engagement and communication across industry and with Government organisations is tremendously important. I think they have done a great job with that. I wanted to make the point that I look forward to more of that engagement going forward.

Q93 **Chair:** It has worked better, and the key is to continue it and even deepen it as well.

David Kennedy Browne: Yes.

Chair: There was another thing I was going to ask you. Obviously, you ship all around the world. You will see examples in ports that make it easier for you to ship. There must be some lessons that could be learnt and applied to the UK so that we can trade more, and welcome more as well. We would be interested in seeing how some of the ideas for great innovations in the ports of Singapore, Hamburg, Rotterdam and Hong Kong—you name it—could be applied to the UK to make us trade more competitively. That would be great. We will write to you and give you that list. Thank you again.