

New initiative to scale low-carbon fuel production adopted by ministers at global energy summit

- Energy value chain leaders sound alarm on lack of necessary infrastructure and cross-sectoral alignment to move low-carbon fuels as global demand increases.
- The Clean Energy Marine Hubs (CEM-Hubs) initiative was established by the Clean Energy Ministerial (CEM) less than a year after it was first presented at an unprecedented speed for the global body.
- The cross-sectoral and public-private partnership aims to scale the global low-carbon fuels value chain to ensure transportation infrastructure is in place to link producers and consumers of zero emission fuels across the world.

Goa, India, Thursday 20 July 2023 – The Clean Energy Ministerial (CEM) has today adopted the [Clean Energy Marine Hubs Initiative](#) (CEM-Hubs) at a summit in Goa, India. The first-of-its-kind platform brings together the private sector and governments across the energy-maritime value chain to transform maritime transportation and production hubs for future low-carbon fuels.

The CEM-Hubs initiative is initially backed by Canada, Norway, Panama, Uruguay and the United Arab Emirates (UAE) in partnership with the International Chamber of Shipping (ICS), and the International Association of Ports & Harbors (IAPH). The CEM Hubs initiative is a partnership that's jointly led by private sector and governments working in close collaboration.

The energy maritime value chain is far from ready to transport the influx of low-carbon fuels that are expected between now and 2050. To accommodate demand, the shipping industry is expected to transport at least 50% of all traded low carbon fuels by 2050, according to the International Renewable Energy Agency (IRENA). But the production centres, vessels and port infrastructure required to accommodate expected demand do not currently exist at commercial scale.

So far only [one ship in the whole global fleet has been piloted to transport liquefied hydrogen](#) – travelling from Australia to Japan. For hydrogen derivatives such as ammonia and other low-carbon fuels moved by ships, the scale is far from what heavy industries, transport, and other sectors would require. To support the global transition to net-zero targets, shipping is expected to transport between two and up to five times the low-carbon fuels it will consume by 2050. The mix of fuels that shipping moves will also need to change to be aligned to the Paris Agreement.

Participants have convened in Goa for the first ever CEM-Hub meeting. The initiative was adopted less than a year after it was first presented, in an unprecedented move by the Clean Energy Ministerial (CEM) that reflects the immense scale of the problem and urgency to

establish solutions. The CEM-Hubs initiative and progress will be featured at the next COP28 in Dubai.

The initiative is also supported by the International Renewable Energy Agency (IRENA) and the Global Centre for Maritime Decarbonisation (GCMD).

Jean-François Gagné, Head of Secretariat, Clean Energy Ministerial, said:

“Ports, shipping, and the logistics network need to be an integral part of the global clean energy transition. The Clean Energy Marine Hubs Initiative is a truly public-private platform between energy, maritime, shipping and finance communities. It represents a unique opportunity to develop concrete implementable actions to ensure greener supply chains globally.”

The Honourable Omar Alghabra, Canada’s Minister of Transport, said:

“Canada is pleased to announce its participation as a founding member of the Clean Energy Marine Hubs Initiative, alongside esteemed partners such as the International Chamber of Shipping, the International Association of Ports and Harbours, and other countries from around the world. This vital initiative will reinforce the pivotal role our ports and marine sector will play in advancing the global energy transition. By facilitating the secure and efficient transportation of new clean energy resources, including hydrogen, ammonia, and renewable diesel produced right here in Canada, we are taking significant steps towards a sustainable future on a global scale.”

Jorge Rivera, Government of Panama’s National Energy Secretary, commented:

“We are very excited about the launching of the Clean Energy Marine Hubs initiative. Without any doubt, this is going to be a turning point in these sustainable initiatives around the world, and the connection between the energy and maritime industries. We expect to have great results in the short, medium, and long term.”

Bjørn Højgaard, CEO of Anglo-Eastern, commented:

“Decarbonisation continues to dominate international shipping’s agenda, with alternative fuels playing a critical role in the push to net zero by 2050, as revised at this July’s MEPC 80. While much has been explored and discussed about the environmental and technical aspects of alternative fuels, one key area has received less attention: the logistics of alternative fuels. No solution can stand on its own without the necessary infrastructure to support it, which CEM Hubs is addressing.”

Nick Brown, CEO of Lloyd’s Register, commented:

“Many nations throughout the world are committed to reducing greenhouse gas emissions and will rely on shipping to access clean energy to power their national grids, as well as enabling mobility of goods and people. Green energy, such as hydrogen and ammonia, will not always be consumed in the same countries where it is produced, making it impossible to tackle the climate emergency without shipping. We welcome the formal creation of the CEM Hubs, which will allow

the shipping industry to proactively cooperate with international governments to ensure that new supply chains of clean energy become a reality.”

Captain Rajalingam, MISC’s President and Group CEO, said:

“As leaders in global shipping, we recognise transportation’s pivotal role in transitioning to a clean energy economy. The adoption, transportation, and integration of future fuels into the broader economy demands immediate action to unlock demand and achieve scale. We are committed to driving this agenda forward, collaboratively and with purpose.”

Guy Platten, Secretary General of the International Chamber of Shipping, commented:

“The momentous speed at which the CEM Hub initiative has been adopted speaks volumes to not only the scale of the challenge before us and the urgency to act, but also the economic opportunity low-carbon energy production offers – particularly to developing economies. For first movers it presents a golden opportunity to develop an industry that will catalyse economic growth and prosperity and provide energy stability for their citizens.”

Patrick Verhoeven, IAPH Managing Director, commented:

“It will be the role of shipping and the ports that serve them to become the enablers of the energy transition by offering the capacity to transport what is expected to be 50% of all global zero-carbon fuels. For candidate countries this presents a golden opportunity to develop the hub concept as catalysts of economic growth and prosperity for their citizens.”

Professor Lynn Loo, CEO of Global Centre for Maritime Decarbonisation, commented:

"According to IRENA, at least half of net-zero fuels needed in 2050 are expected to be moved by ships. This speaks to shipping’s critical and integral role at the energy-transport nexus. To decarbonise the energy value chain, it is thus imperative for shipping to be at the table, alongside fuel producers, demand drivers, regulators and policy makers so gaps can be identified early and addressed holistically."

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Notes to editors:

The CEM Hub launch event will be livestreamed – access [here](#).

About CEM-Hubs

The CEM-Hubs initiative is a public-private knowledge sharing platform intended to de-risk investment needed to produce and transport low- and zero-emission fuels along the maritime value chain. Its aim is to catalyse the production, storage, transportation and use of low-carbon fuels at scale by unlocking the investment needed to modify and build key infrastructure and accelerate the global low-carbon fuels market.

About CEM



The Clean Energy Ministerial (CEM) is a high-level global forum to promote policies and programmes that advance clean energy technology, to share lessons learned and best practices, and to encourage the transition to a global clean energy economy. Initiatives are based on areas of common interest among participating governments and other stakeholders. The CEM brings together a community of the world's largest and leading countries, companies and international experts to achieve one mission – accelerate clean energy transitions – www.cleanenergyministerial.org

About ICS

The International Chamber of Shipping (ICS) is the principal international trade association for merchant shipowners and operators, representing all sectors and trades and over 80% of the world merchant fleet.

www.ics-shipping.org

About IAPH

Founded in 1955, the [International Association of Ports and Harbors](http://www.iaph.org) (IAPH) has developed into a global alliance of 176 port authorities, including many of the world's largest port operators as well as 147 port-related businesses. IAPH's [World Ports Sustainability Program](http://www.iaph.org/world-ports-sustainability-program) has grown into the reference database of best practices of ports applying the UN Sustainable Development Goals and integrating them into their businesses.