



# SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



## CII Regulation Could Absorb One-Tenth of Global Vessel Capacity

Between 7% to 10% of global container fleet capacity will likely be “absorbed” by the Carbon Intensity Index (CII) introduced on November 1 by the International Maritime Organization (IMO), according to a spokesperson for the world’s largest box carrier.

Mediterranean Shipping Company (MSC) global public relations and internal communications manager Giles Broom has stated that vessel design improvements and technology efficiency measures will not be sufficient alone to meet the requirements of the new regulation.

“We have assessed that it will not be possible to achieve the required standards without a new programme of voyage optimisation that includes elements such as speed reductions and injecting additional ships into the network,” he said.

“Just-in-time port call optimisation will also play a role.”

Mr Broom is consequently calling on the IMO to change the CII calculation methodology.

“As many across academia and industry have said, the calculation methodology (AER [annual efficiency rating]/DWT [deadweight tonnage]) should be revised to avoid unintended consequences that would distort the performance of a ship that spends a lot of time in port.



“[The proposed methodology could lead to] situations in which a vessel’s rating would worsen simply because it spends more time in port.

“We respectfully question whether this unintended consequence could be avoided by amending the methodology.

“CII should not effectively penalise vessels trading on shorter distances and while waiting alongside. It would be far better to have an operational indicator that would reward more productive ships, including based on cargo carried rather than on a theoretical value that may not correlate to transport work performed.”

Nonetheless, Mr Broom confirmed that MSC supported the overall objective of the IMO’s new regulation and was also continuing to advance its own emissions-reducing measures.

“MSC will support and fully comply with the CII regulation through a range of measures and we are very well prepared to do so.

“As there are no net-zero CO2 emission fuels available at scale to our industry in the short term, MSC will continue to make energy efficiency performance improvements to help ensure that the fleet keeps pace with the evolving regulatory standards in 2023 and beyond.”

He said this included deploying new vessel designs and other technology to modernise the MSC fleet and increase energy efficiency performance.

Aligned with CII, on January 1, 2023 it will become mandatory for the attained Energy Efficiency Existing Ship Index (EEXI) to be calculated for all ships as a means of measuring their energy efficiency.

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