



Position of the Maritime and Aviation Sectors on the Redistribution of Revenues from the European Union Emissions Trading System (EU ETS)

The energy transition of European transport is entering its most demanding phase, in which the pace of decarbonization must go hand in hand with maintaining the competitiveness of the European Union's economy. The EU Emissions Trading System (EU ETS), extended to maritime transport and reformed for aviation, has become one of the key instruments of the EU's climate policy.

At the same time, the current design of the system in the aviation and maritime sectors results in increasing cost burdens without providing adequate support mechanisms for technological and fuel transformation. This pressure is further intensified by persistently high and volatile oil prices, driven by geopolitical tensions and disruptions in global supply chains.

This means that the regulatory framework imposes additional costs at a time of heightened instability in the fuel market, which significantly limits the sector's ability to finance the transition and increases the risk of a lasting loss of competitiveness for EU entities.

The sector's proposals are aligned with the Polish Government's announced need to reform the EU ETS, in particular with regard to its impact on economic competitiveness and the efficiency of the use of financial resources generated by the system.

1. EU ETS – rising costs, limited climate effectiveness

Allowance prices in the EU ETS have risen from around EUR 5/t CO₂ to over EUR 100/t CO₂, which for the aviation and maritime sectors translates into burdens reaching tens of millions of euros annually, and for the largest entities, hundreds of millions. Price volatility significantly hampers investment planning and limits the ability to finance the transition.

Despite aviation being covered by the EU ETS since 2012, emissions in this sector have not been durably reduced. This results from fundamental technological constraints characteristic of mobile sectors. Unlike the power or heavy industry sectors, where relatively rapid modernization of generation sources is possible (e.g. switching from coal to renewables or gas), aviation and shipping do not have the option of short-term replacement of propulsion technologies.

Fleets of ships and aircraft operate on investment cycles of 20–30 years, and currently available technological alternatives (hydrogen and electric propulsion) are not yet scalable for long-distance transport. In practice, the only viable emissions reduction pathway over the coming decades remains sustainable alternative fuels, whose availability is limited and whose costs are several times higher than that of conventional fuels.

As a consequence, the EU ETS in mobile sectors does not directly lead to emissions reductions but instead generates significant cost burdens, while failing to provide adequate tools to enable the transition. This means, in its current form, the system effectively performs a fiscal rather than transformative function.

2. Competitiveness and the risk of carbon leakage

The maritime and aviation sectors operate under conditions of global competition. The lack of harmonized regulations at the international level leads to a growing risk of carbon leakage.

In shipping, cases are already being observed where transport operations and passenger traffic being shifted outside the European Union—particularly to regions such as Turkey, the Middle East, or the Maghreb. Examples of traffic being redirected from EU ports to ports in North Africa demonstrate that this phenomenon is real and may result in increased global emissions alongside a loss of economic activity within the EU.

In the context of high aviation fuel prices and geopolitical instability, maintaining the competitiveness of European carriers and shipowners is becoming a key strategic challenge.

Aviation and maritime transport form the backbone of the European economy. They underpin not only passenger mobility but also global supply chains, tourism, and international trade.

Regulatory stability and predictability are crucial for long-term infrastructure investments. In the context of the planned construction of a new central airport in Poland (Port.Polska), ensuring competitive operating conditions vis-à-vis hubs outside the EU is a prerequisite for its success and economic viability.

3. Insufficient use of ETS revenues

Despite the substantial revenues generated by the EU ETS, only a marginal share of funds is allocated to the decarbonization of sectors that bear the direct costs of the system. In practice, this means that aviation and maritime transport significantly contribute to EU ETS revenues while not receiving adequate transformational support.

According to industry analyses, including positions of the International Air Transport Association and Airlines for Europe, the current system of ETS revenue redistribution does not ensure proportionate access to funding for the aviation sector, despite the growing cost burden resulting from EU climate regulations.

Meanwhile, the transformation of these sectors requires investments amounting to hundreds of billions of euros by 2050, including:

- the development and scaling of alternative fuels (sustainable fuels, synthetic fuels),
- fleet modernization,
- development of fuel infrastructure,
- development of port infrastructure,
- implementation of systems supporting operational efficiency.

Available industry analyses indicate that the aviation sector alone will require hundreds of billions of euros in investment in SAF production and distribution to meet the requirements of ReFuelEU Aviation, while lacking dedicated financing mechanisms at an adequate scale.

As a result, a structural imbalance arises: the EU ETS generates significant fiscal revenues, while the burden of transformation remains largely on companies.

Industry estimates suggest that only a few per cent of EU ETS revenues are currently reinvested directly into the decarbonization of the aviation sector, which is disproportionate to the scale of the costs borne by carriers.

At the same time, the current design of the EU ETS market requires strengthening in terms of stability and transparency. In particular, it is reasonable to consider limiting excessive activity by financial entities not directly linked to emission compliance obligations, which could help reduce price volatility and restore the system's role as a tool supporting the transition rather than merely generating cost pressure.

4. Summary

The maritime and aviation sectors remain fully committed to achieving the European Union's climate objectives. However, without appropriate adjustments to the EU ETS, there is a real risk that the transition will lead to a weakening of Europe's competitiveness and an increase in global emissions.

It is essential to develop a system that is simultaneously:

- climate-effective,
- financially fair,
- regulatorily predictable,
- economically competitive.

The climate transition must not lead to the deindustrialization of the European economy. As highlighted in the joint position of 11 Member State ministers, decarbonization should be pursued in a cost-effective manner while maintaining the competitiveness of European industry and transport sectors.

We therefore urge immediate action to restore the balance between climate ambition and competitiveness, and to ensure a predictable and stable regulatory environment for the transport sectors.

LOT Polish Airlines S.A.

ORLEN S.A.

Port of Gdańsk Authority S.A.

Polowiec i Wspólnicy – kancelaria prawna

New Mobility Association

SEA Global

Gdańsk Lech Wałęsa Airport

Business & Science Poland

Key postulates

1. Redistribution of ETS revenues

At least 30–40% of the revenues generated by the aviation and maritime sectors from the sale of allowances should be mandatorily reinvested in the decarbonization of these industries, in particular to reduce the price gap of alternative fuels and support fleet modernization.

In this context, we propose the establishment of a dedicated national Low-Emission Transport Fund, covering both the aviation and maritime sectors, as an instrument to ensure the effective and targeted redistribution of funds derived from the EU ETS.

The Fund should finance in particular:

- the development and scaling of alternative fuels (SAF, synthetic fuels, low-emission fuels in shipping),
- fleet modernization (including investments in more efficient units and fuel-saving technologies),
- the development of fuel, port and airport infrastructure,
- the implementation of operational and digital tools that increase efficiency and reduce emissions (e.g. route optimization, traffic management).

The creation of such a mechanism would enable a transition from a model based primarily on fiscal burdens to a system that genuinely supports transformation, while simultaneously reducing the risk of a loss of competitiveness in European transport.

2. Protection of competitiveness

The introduction of a systemic mechanism to assess the impact of regulations (Competitiveness Check) on the transport sectors, including regular analysis of the effects of both new and existing regulations on the competitiveness of European operators, as well as monitoring of carbon leakage and business leakage.

This mechanism should in particular include:

- analysis of changes in passenger and freight traffic flows (re-routing),
- identification of the relocation of operations and hubs outside the EU,
- assessment of the impact of regulations on operating costs relative to global competitors.

This should be complemented by the implementation of fiscal and regulatory mechanisms limiting the avoidance of ETS costs by operators using ports and hubs outside the EU, in particular through:

- introducing solutions reflecting the actual emissions footprint across the entire travel chain (e.g. origin–destination approach in aviation),
- applying additional cost mechanisms to operations using structures designed to circumvent the ETS (e.g. artificial stopovers or transshipments outside the EU),
- strengthening monitoring and reporting based on operational data (AIS, MRV, traffic data) to identify optimization practices leading to cost avoidance.

3. Limiting carbon leakage

Implementation of tools to limit re-routing in shipping and the relocation of hub operations outside the EU, including:

- extending emissions responsibility to actual transport routes, including the entire transport chain rather than only segments directly covered by the EU ETS (e.g. a “port-to-port plus” approach including previous and subsequent calls at non-EU ports),
- strengthening the definition of transshipment ports to limit artificial route splitting (e.g. short technical calls at non-EU ports to reduce ETS obligations),
- introducing fiscal mechanisms for operations circumventing the system, involving additional charges or cost adjustments for routes using non-EU ports solely to avoid regulatory burdens,
- monitoring and analysis of operational data (AIS, MRV) to identify changes in routes, transshipment volumes and potential optimization practices leading to ETS cost avoidance,
- regular review of the regulatory impact of the EU ETS on shipping, including assessment of its effects on the competitiveness of EU ports and the risk of activity relocation outside the EU.

The objective of these measures should be to ensure a level playing field and to prevent situations in which operators complying with EU regulations incur disproportionately higher costs than those exploiting systemic loopholes.

4. Supporting infrastructure transformation

Ensuring stable and predictable financing for the development of alternative fuel infrastructure and initiatives improving operational efficiency, with particular emphasis on seaports and airports as key nodes of the transport system.

This support should in particular include:

- development of bunkering and distribution infrastructure for low-emission fuels in seaports (including LNG, methanol, synthetic fuels and shore power solutions),
- modernization of port and airport infrastructure to increase the energy efficiency of operations (e.g. electrification of ground handling, optimization of operational processes).

It should be emphasized that achieving the objectives arising from the AFIR, FuelEU Maritime and ReFuelEU Aviation regulations requires coordinated infrastructure development in ports and at airports, while ensuring economic viability. Otherwise, there is a risk of creating costly infrastructure with limited utilization due to a mismatch between fleet development and fuel availability.