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EU ETS and Southern Europe's container hubs: concrete results of transshipment relocation



www.tim10srl.com

Date: 04th November 2026

RATIONALE OF THE STUDY

REGULATORY CONTEXT

The EU ETS extends to maritime transport

Directive (EU) 2023/959 includes **maritime transport** in the **EU ETS** (from 2024).

Shipping companies must surrender EU Allowances (EUAs) for a share of their verified emissions*:

- **2024**: **40%** of emission
- **2025**: **70%** of emissions
- **2026 onwards**: **100%** of emissions

*Carbon dioxide
From 1 January 2026, methane and nitrous oxide



THE RESEARCH QUESTION

Could the EU ETS reshape mediterranean port competition?

Could new **compliance costs influence** carriers' **routing** and **port call decisions**?

Are **transshipment ports** in **Southern Europe** particularly **exposed** due to the **high substitutability** between port and terminal options in global container networks?

What **concerns** could this **raise** about **EU port competitiveness**, and what potential geopolitical and environmental implications could arise?

MAIN AIMS OF THE STUDY

Empirical verification of occurred and actual changes

01 **Analyse changes** in container maritime transport **service routes** and **frequencies** across the pre- and post-ETS periods (Model A).

02 **Identify route changes** potentially determined by the **EU ETS** (Models B.1 and B.2).

03 Explore the **potential implications** for the **competitiveness** of Southern EU transshipment hubs (Annex).

04 **Examine** recent investments in **North African port infrastructure** assessing potential impact on port competition within Mediterranean Sea.

SUPPORT EVIDENCE-BASED DECISION-MAKING

Provide evidence to inform policy discussion and strategic decisions on the competitiveness and sustainable development of the EU port system.

BACKGROUND

Regulatory framework: key legal & institutional drivers

Regulatory framework

Directive (EU) 2023/959, issued on May 10, 2023, has officially **extended** the **scope** of the **EU Emission Trading System** (EU ETS) to include **maritime transport**.

Scope of application

Under the EU ETS, **100%** of **emissions** generated in **intra-EU voyages**, **50%** of **emissions** generated in **voyages between EU and non-EU ports**, and **100%** of **emissions** generated **within ports of call under the jurisdiction of EU Member States** are subject to allowance surrender requirements (Directive (EU) 2023/959).

Phase-in of requirements

Shipping companies shall be liable to surrender allowances according to the following schedule:
(a) **40%** of verified emissions reported for **2024**;
(b) **70%** of verified emissions reported for **2025**;
(c) **100%** of verified emissions reported for **2026** and **each year thereafter**
(Directive (EU) 2023/959).

Regulatory framework: taxonomies & definition

Port of call

A **port of call** is the port where a **ship stops** to **load** or **unload cargo**, to **embark** or **disembark passengers**, or where an **offshore ship stops** to **relieve** the **crew** (according to the Directive (EU) 2023/959).

The "300-nautical-mile rule"

Exclusion from the definition of "**port of call**" of **stops** of containerships in a **neighbouring container transshipment port** (Regulation (EU) 2023/2297).

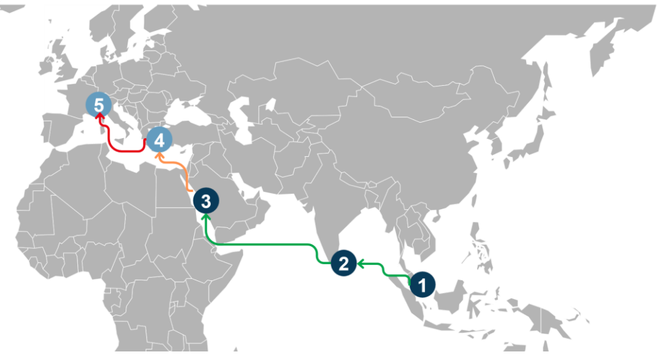
Neighbouring container transshipment ports

Ports that meet following three criteria:

1. **Share of transshipment** of containers exceeds **65%** of its total container traffic during the most recent 12-month period for which data is available;
2. **Location** outside the Union but **less than 300 nautical miles from** a **port** under the jurisdiction of an **EU Member State**;
3. **Lack** of **measures equivalent** to the **ETS** for that port

(Regulation (EU) 2023/2297).

Example of ETS applicability



non-EU ports		EU ports	
1	Singapore	4	Piraeus
2	Colombo	5	Genoa
3	Jeddah		

→ 0% of the GHG emissions

→ 50% of the GHG emissions

→ 100% of the GHG emissions

SCOPE OF THE ANALYSIS

The empirical report aims to assess the potential impact of the inclusion of maritime transport within the EU Emission Trading System on Southern European container transshipment hubs.

- **Geographic coverage**:
  - Port of Gioia Tauro;
  - Port of Taranto;
  - Port of Marsaxlokk;
  - Port of Sines.

Sample ports
The four ports were selected to represent different geographical locations, transshipment profiles and competitive positions within Southern European container shipping networks.

- **Service typologies**: an iterative procedure is applied, progressively incorporating the different service typologies according to the following order:
  - Global: the service connects ports located in different geographical areas (e.g. Asia ↔ Europe).
  - Interregional: the service connects ports belonging to the same geographical area but located in different regions (e.g. Europe ↔ North Africa).
  - Regional: the service connects ports located within the same region but in different countries(e.g. Western Europe ↔ Eastern Europe).

- **Temporal coverage**:
  - **Pre-ETS scenario**: 14 July 2021 (presentation of the «Fit for 55» package) – 31 December 2023.
  - **Post-ETS scenario**: 1 January 2024 (first day of application of Directive (UE) 2023/959) – last data available (16 April 2026).

The empirical analysis compares evidences related to service changes in the two scenarios.

SAMPLE PORTS' BACKGROUND

Sample ports' positioning, throughput and transshipment incidence

The study focuses on selected Southern European transshipment hubs facing direct competition from extra-EU ports



SAMPLE PORTS THROUGHPUT (2024)
8,726,297 TEUs

SAMPLE PORTS' COUNTRIES – TOTAL THROUGHPUT (2024)
18,436,717 TEUs

(47.3%)

Sample ports' throughput as % of reference total

ITALY	11,927,016 TEUs
MALTA	2,967,924 TEUs
PORTUGAL	3,541,777 TEUs

EUROPEAN PORTS TOTAL THROUGHPUT (2024)
117,279,309 TEUs

(7.4%)

SOUTHERN EUROPE PORTS TOTAL THROUGHPUT (2024)
44,123,577 TEUs

(19.8%)

NORTHERN AFRICA PORTS TOTAL THROUGHPUT (2024)
23,475,654 TEUs

(37.2%)

SOUTHERN EUROPE

Albania, Croatia, Greece, Italy, Malta, Montenegro, Portugal, Slovenia, Spain

NORTHERN AFRICA

Algeria, Egypt, Libya, Morocco, Sudan, Tunisia

GIOIA TAURO (2024)



THROUGHPUT	3,940,452 TEUs
TRANSSHIPMENT INCIDENCE	100%

MARSAXLOKK (2024)



THROUGHPUT	2,860,000 TEUs
TRANSSHIPMENT INCIDENCE	≈96 %

SINES (2024)



THROUGHPUT	1,909,731 TEUs
TRANSSHIPMENT INCIDENCE	76,6 %

TARANTO (2024)



THROUGHPUT	16,114 TEUs
TRANSSHIPMENT INCIDENCE	49 %

Source: UNCTAD, 2026; ASSOPORTI, 2025; Malta Freeport Terminals, 2026; Administração dos Portos de Sines e do Algarve, 2026; Autoridade da Mobilidade e dos Transportes, 2025.

KEY-TAKEAWAYS

1 More service instability in the post-ETS scenario

- **Total** service **changes increased** from **211 pre-ETS** to **305** under the **post-ETS** scenario (**+44,55%**).
- The **average** number of **changes** per **month** increased from **7.0** in the **pre-ETS** scenario to **10.9** in the **post-ETS** scenario (**+55,71%**).
- Compared with the pre-ETS scenario, the **average number** of **changes** per **service increased** for **global** services, from **3.2** to **4.6** (**43,75%**), and for **interregional** services, from **2.4** to **3.7** (**54,16%**). Conversely, **regional** services recorded a **decrease**, from **0.8** to **0.3** changes per service.

2 ETS-related potential effects are not marginal

- **77** changes are identified as **potentially determined** by the **ETS**, affecting **41** out of 86 **services**.
  *For the definition of "potentially determined by the ETS" please see slide 7.
- The number of **changes potentially determined** by the **ETS increased markedly** between the two scenarios. In the **pre-ETS** scenario, **26** potentially ETS-driven changes were identified, whereas in the **ETS** scenario this number rose to **51**.
- Among the **services** showing **at least one change** potentially determined by the **ETS**, **interregional** services represented the largest group, with **22** services affected (out of 43), followed by **18 global** services (out of 31). Only **one regional** service (out of 12) recorded a potentially ETS-driven change.

3 Relocation signals and growing North African port investments

- Among **20 historical services** no longer calling at the sample ports, **8** services recorded **at least one change** potentially attributable to the EU **ETS**, corresponding to **10** changes overall. These predominantly involved **global** services (6 out of 8).
- Selected case studies highlight the **substitution** of EU port calls with non-EU alternatives raising concerns about the **competitive positioning** of European transshipment hubs.
- In parallel, **significant investments** in **North African** container ports are expanding or are expected to expand **regional handling capacity**, strengthening the **attractiveness** of **non-EU transshipment alternatives**.

METHODOLOGICAL FRAMEWORK AND ANALYTICAL MODELS

MODEL A

Model A compares container shipping services in the pre-ETS and post-ETS periods, identifying whether each service remained unchanged (0) or experienced at least one change (1).
The analysis first verifies whether services underwent one or more changes in their configurations (examples: sailing frequency, n. of vessels, ports of call, etc.). Second, it focuses exclusively on whether services experienced changes in the ports of call included in the rotation.

MODEL B

Service changes mapped by Model A have been further scrutinized for evaluating whether some of them could be reasonably considered as a consequence of ETS introduction or whether they are likely unrelated to the regulation under review.
The empirical investigations performed distinguishes between two main categories of changes.

1. The first group concerns the **86 services** currently associated with the sample ports and focuses on changes to service rotations, with particular attention to those changes that may generate savings under the environmental regulatory framework (Model B.1).
2. The second group concerns the **20** historical **services** no longer associated with the target ports and investigates the reasons why these services stopped calling at the ports under analysis, with particular attention to cases where European ports may have been replaced by competing extra-EU transshipment hubs. This category may represent an equally, if not more, relevant form of relocation (Model B.2).

EMPIRICAL INVESTIGATION

Overview of services coverage and detected changes across the sample ports

SERVICES CURRENTLY ASSOCIATED WITH THE SAMPLE PORTS

86*

GIOIA TAURO	39
MARSAXLOKK	39
SINES	25
TARANTO	6

GLOBAL	31
INTERREGIONAL	43
REGIONAL	12

HISTORICAL SERVICES NO LONGER ASSOCIATED WITH THE SAMPLE PORTS

20*

GIOIA TAURO	6
MARSAXLOKK	9
SINES	9
TARANTO	0

GLOBAL	10
INTERREGIONAL	4
REGIONAL	6

NUMBER OF TOTAL SERVICE CHANGES DETECTED

516*

GIOIA TAURO	232
MARSAXLOKK	229
SINES	173
TARANTO	27

***N.B.:** the sum of n. of services and changes associated with each port is higher than the aggregate value, as some services include more than one of the sample ports within their rotation.

SERVICE CHANGES POTENTIALLY DETERMINED BY THE ETS

Methodological note:
Were classified as **potentially determined by** the **ETS** only those **changes resulting** in a **reduction** of the **service exposure** to the **environmental regulation**, for instance, through the **replacement** of an **EU transshipment port** with a **non-EU hub**, a **redesign** of the **leg preceding** the **first EU call** or **following** the **last** EU call, or a **reconfiguration** that lowers the share of voyages subject to ETS obligations.

77*

GIOIA TAURO	37
MARSAXLOKK	31
SINES	21
TARANTO	5

Source: Author's own elaboration based on Alphaliner

MODEL A - KEY RESULTS

Aggregated analysis of the sample ports (1/2)

NUMBER OF "UNIQUE" SERVICES	86

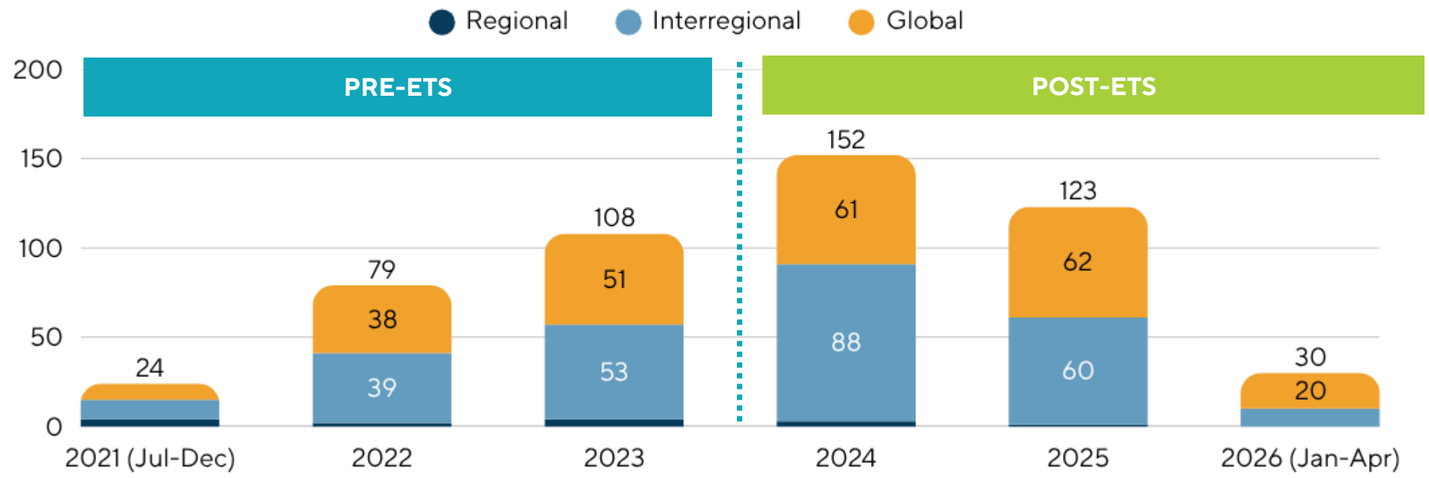
TOTAL NUMBER OF CHANGES

516

PRE-ETS
211
POST-ETS
305

380	136
N. OF CHANGES ROUTE	N. OF CHANGES FREQUENCY
73.6% of total	26.4% of total

ANNUAL EVOLUTION BY SERVICE TYPOLOGY



AVERAGE NUMBER OF CHANGES PER MONTH BY PERIOD

TOTAL CHANGES			ROUTE CHANGES			FREQUENCY CHANGES		
PRE-ETS	+55%	POST-ETS	PRE-ETS	+54%	POST-ETS	PRE-ETS	+61%	POST-ETS
7.0	→	10.9	5.2	→	8.0	1.8	→	2.9

Source: Author's own elaboration based on Alphaliner

MODEL A - KEY RESULTS

Aggregated analysis of the sample ports (2/2)

NUMBER OF "UNIQUE" SERVICES	86

TOTAL NUMBER OF CHANGES BY SERVICE TYPOLOGY

SERVICE TYPOLOGY	N. of services	N. of changes - route	N. of changes - frequency	N. of changes - TOTAL
Global	31	188	53	241
Interregional	43	183	78	261
Regional	12	9	5	14
TOTAL	86	380	136	516

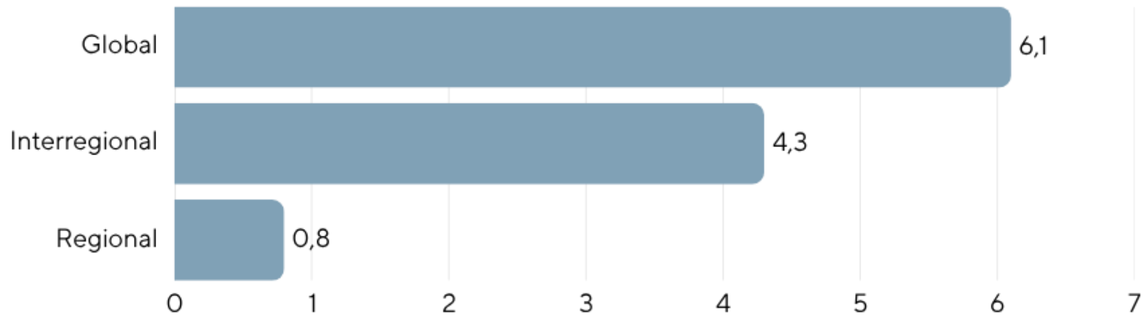
TOTAL NUMBER OF ROUTE CHANGES BY SERVICE TYPOLOGY

SERVICE TYPOLOGY	PRE-ETS	POST-ETS
Global	78	110
Interregional	73	110
Regional	5	4
TOTAL	156	224

AVERAGE N. OF ROUTE CHANGES PER MONTH

SERVICE TYPOLOGY	PRE-ETS 30 months	POST-ETS 28 months
Global	2.6 →	3.9
Interregional	2.4 →	3.9
Regional	0.2 →	0.1

AVERAGE N. OF ROUTE CHANGES PER SERVICE



Source: Author's own elaboration based on Alphaliner

MODEL B.1 - KEY RESULTS

Aggregated analysis of the sample ports

SAMPLE

Unique services
86

NUMBER OF SERVICES

With at least 1 change potentially determined by ETS	With zero changes potentially determined by ETS
41	45

By service typology		By service typology	
Global	18	Global	13
Interregional	22	Interregional	21
Regional	1	Regional	11

N. OF CHANGES POTENTIALLY DETERMINED BY ETS

77

By service typology	
Global	32
Interregional	44
Regional	1

PRE-ETS / POST-ETS

PRE-ETS	POST-ETS
26	51

By service typology (PRE-ETS / POST-ETS)

Service typology	PRE-ETS	POST-ETS
Global	10	22
Interregional	15	29
Regional	1	0

NUMBER OF CHANGES POTENTIALLY DETERMINED BY THE ETS BY YEAR

2021 (Jul-Dec)	2022	2023	2024	2025	2026 (Jan-Apr)
4	6	16	31	17	3

PRE-ETS | POST-ETS

Red Sea Crisis: oct-23

Recomposition of shipping alliances: feb-25

Source: Author's own elaboration based on Alphaliner

MODEL B.2 - KEY RESULTS

Aggregated analysis of the sample ports

SAMPLE

Unique services
20

NUMBER OF SERVICES

With at least 1 change potentially determined by ETS	With zero changes potentially determined by ETS
8	12

By service typology

Global	6
Interregional	1
Regional	1

N. OF CHANGES POTENTIALLY DETERMINED BY ETS

10

PRE-ETS / POST-ETS

PRE-ETS	POST-ETS
5	5

NUMBER OF CHANGES POTENTIALLY DETERMINED BY THE ETS BY YEAR

2021 (Jul-Dec)	2022	2023	2024	2025	2026 (Jan-Apr)
0	1	4	2	2	1

PRE-ETS | POST-ETS

Red Sea Crisis: oct-23

Recomposition of shipping alliances: feb-25

Source: Author's own elaboration based on Alphaliner

MODEL B.2 - CASE STUDY 1

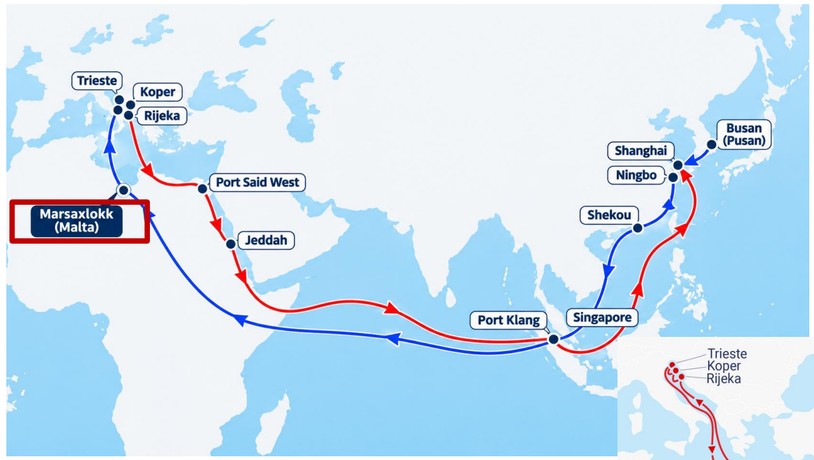
OCEAN Alliance: Asia-Med service - MED5

PRE-ETS

> Jan 2023 – **Marsaxlokk** replaced by **Alexandria** as part of the new 'Day 7 product' (See news)

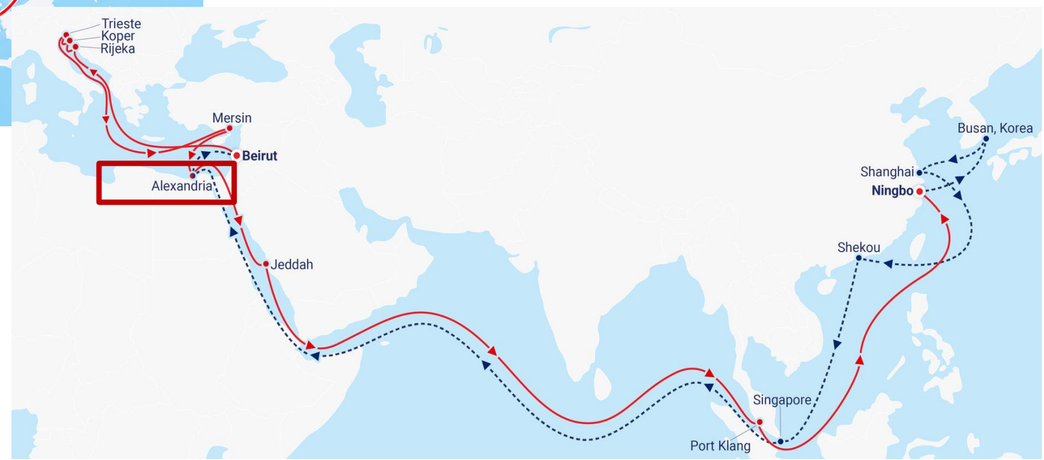
Source: ALPHALINER

BEFORE...



Source: Author's elaboration based on OOCL, OCEAN Alliance Day 6 Product, 13 January 2022.

AFTER...



Source: CMA CGM

PRESENT CONFIGURATION

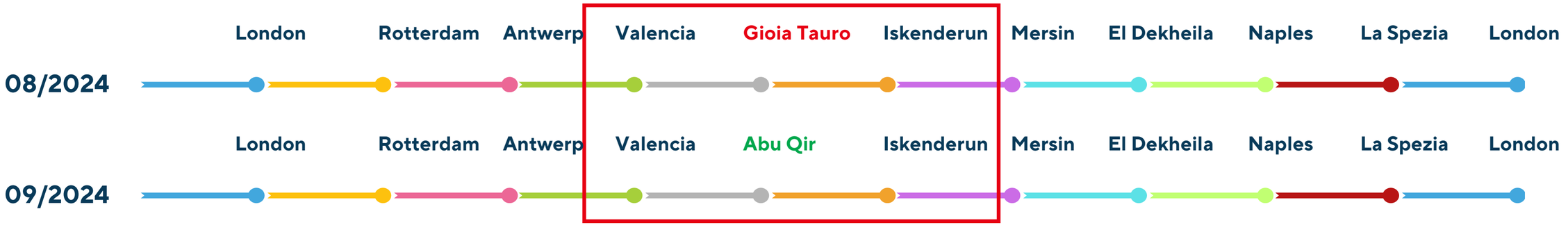
SAILING FREQUENCY	Weekly
DURATION OF ROTATION	84 days
PROFORMA FLEET	12 ships (13,136 - 16,188 TEU)
WEEKLY CAPACITY (TEU)	14,931 (average)

Source: ALPHALINER

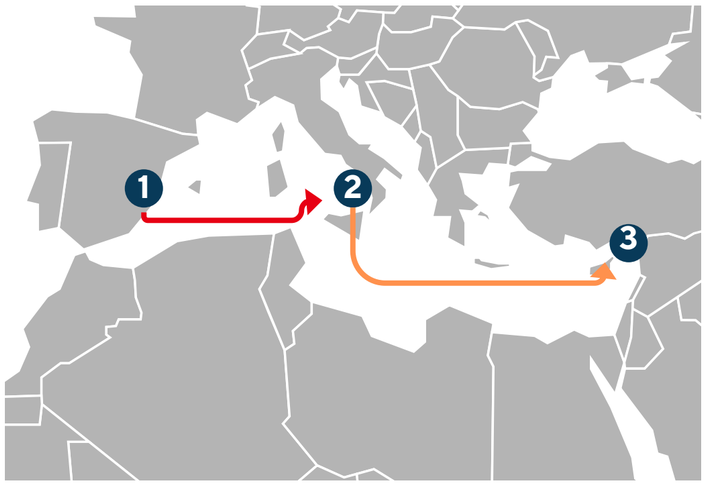
MODEL B.2 - CASE STUDY 2

MSC: NW Europe-Med service (Levante Express)

POST-ETS



BEFORE...

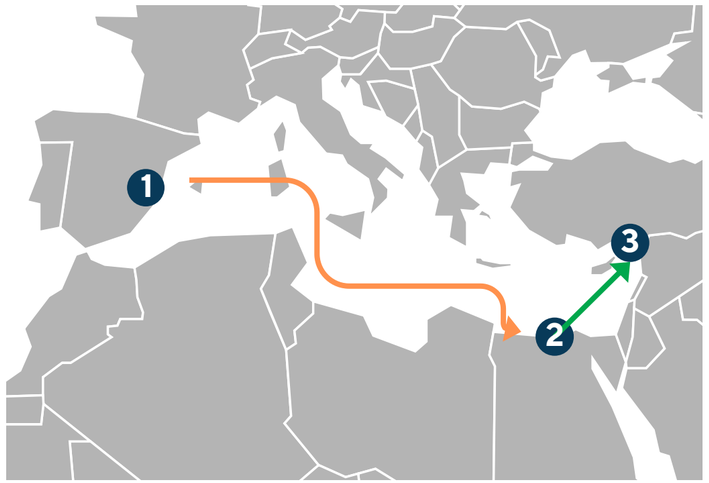


0% of the GHG emissions

50% of the GHG emissions

100% of the GHG emissions

AFTER...



Source: Author's own elaboration based on Alphaliner

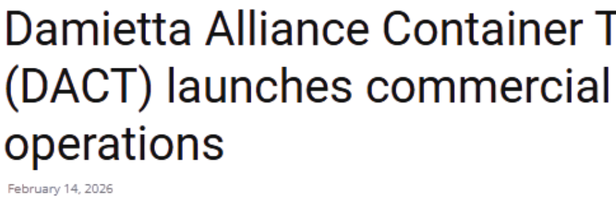
INVESTMENT REALLOCATION RISK

Strategic implications of transshipment substitution on global routes

The relocation phenomenon is expected to further consolidate over the next two to three years, so EU may experience the progressive **substitution of EU transshipment hubs** with competing non-EU ports along global routes with dramatical further negative effects on the overall port throughput of EU Members States.

In particular, this trend is expected to gradually **shift investment** in **port infrastructure** by major global industry players away from established Southern European transshipment hubs **towards lower-cost competing ports in neighbouring non-EU regions**, particularly North Africa and the Middle East.

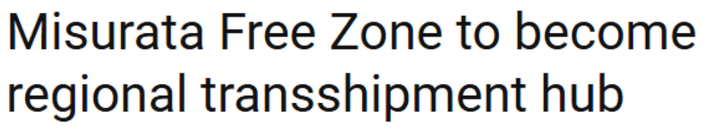
This risk appears to be partly reflected in specialized maritime press, which has **increasingly reported corporate investment interest in North African transshipment terminals**.



Source: Container News



Source: The Maritime Executive



Source: Container News

INVESTMENTS IN NORTH AFRICAN PORTS

Overview of selected port investments in Morocco, Egypt, Algeria and Libya (1/2)

- Global players are investing in and expanding **key transshipment ports in North Africa**, with notable capacity additions announced or completed during recent years.
- **Investment initiatives** across **Morocco**, **Egypt**, **Algeria** and **Libya** encompass new container terminals, capacity expansions and infrastructure upgrades, reflecting the increasing strategic relevance of North African ports.
- The geographical spread of these investments highlights the **strengthening** of **alternative container handling** and **transshipment hubs** across North Africa, potentially reshaping competitive dynamics in the Mediterranean.
- The analysis provides an overview of the main investment projects and key industry players across the sample ports, based on recent publicly available information.

North African ports covered by the investment mapping



The scale of investments confirm the strengthening of North African ports as alternative transshipment hubs for global players.

INVESTMENTS IN NORTH AFRICAN PORTS

Overview of selected port investments in Morocco, Egypt, Algeria and Libya (2/2)

MOROCCO

Tanger Med



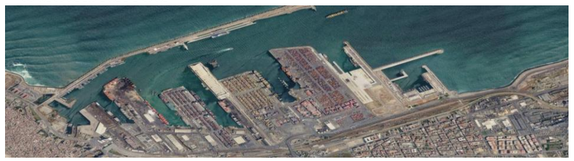
- **2 mln TEU** of **capacity** in the expansion programme
- APM Terminals completes the **latest expansion phase** at the end of **2024**.

Nador West Med



- **USD 280** million investment (CMA CGM – Marsa Maroc, 2024)
- **CMA CGM** (**49%**) / **Marsa Maroc** (**51%**)

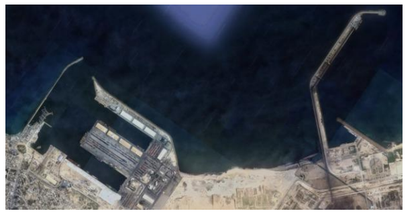
Casablanca



- TC3 capacity targeted at **900,000 TEU/year** by **2030**, with over **2m TEU/year** across **Casablanca container terminals**.

LIBYA

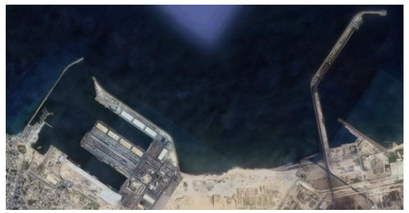
Misurata



- Up to **USD 2.7 billion planned** for the port expansion.
- **MSC** and **Maha Capital Partners** announce a development agreement.
- The programme includes **new equipment**, **berths** and **digital systems**.
- **Target capacity**: **4 million TEUs per year**.

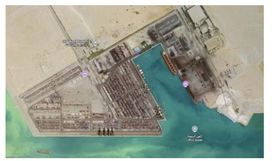
ALGERIA

Djen Djen



- **New container terminal** project with a target capacity of **2m TEU/year**.
- Project completed in phases; total capex not disclosed in the selected sources.

EGYPT

 East Port Said	• **USD 500 million** investment; +2,2 million TEU of capacity • **APM Terminals** and **SCCT;** complete the expansion in **November 2025** • **IFC** load up **USD 175 million**
 West Port Said	• **PSCCHC**: new 478 m container quay and four STS cranes (FY2026/27 plan). • 18 m target depth; crane payments into FY2027/28. • **EGP 5.5bn**: press-reported estimate.
 Damietta	• **Over USD 600 million** in the first phase • Operations starts in February 2026 • **Hapag-Lloyd** holds 39%, **EUROGATE** and **Contship Italia** 29.5% each**,** remaining 2% held by **two Egyptian partners.** • **Annual capacity**: **3,3 million TEUs**.
 El Dekheila	• Around **USD 700 million** across **Alexandria** and **Sokhna**. • **HPH – Hutchinson Port Holding** and **TIL/MSC** involved. • **Planned annual capacity**: **1.5 million TEU**.
 Alexandria	• **Annual capacity**: **1.5 million TEU**. • **CMA CGM** holds an equity stake in Trans Misr Terminal (TMT). • **Terminal** already **operational** • Investment amount about USD 226 million.
 Abu Qir	• **Annual capacity**: **2 million TEU**. • **Evergreen** holds an **equity stake** in the Hutchison Abu Qir container terminal. • Alphaliner identifies Evergreen among the shareholders of the new port facility.
 Ain Sokhna	• Around **USD 375 million** investment • **Hutchison**, **CMA CGM** and **COSCO** launch the terminal development project. • **Planned annual capacity**: **1.7 million TEU**, with a 30-year concession.

INVESTMENTS IN NORTH AFRICAN PORTS

Investment scale and capacity developments: sample examples

SOME KEY CAPACITY DEVELOPMENTS

Major capacity expansion programmes are strengthening North Africa's container port infrastructure capacity.

Tanger Med

+2.0m TEU

of capacity in the expansion programme.

East Port Said

+2.2m TEU

from the latest expansion.



SIGNIFICANT INVESTMENT COMMITMENTS

Major international operators are supporting substantial investments in North African container terminals.

USD 500 million
SCCT expansion.

Over USD 600 million
Damietta Alliance's first phase.

Up to USD 2.7 billion
planned for Misurata port development.

FURTHER CAPACITY DEVELOPMENT

Additional projects could further strengthen North Africa's position in Mediterranean container shipping.

Djen Djen
2m TEU/year
planned capacity, under phased completion.

Misurata
4m TEU/year
target capacity.

Casablanca
900,000 TEU/year
targeted for 2030 (TC3), with over 2m TEU/year across Casablanca terminals.

MAJOR INDUSTRY PLAYERS

Leading shipping lines and terminal operators are investing in North African port capacity developments.

Hapag-Lloyd
39%
stake in Damietta Alliance.

CMA CGM
49%
stake in Nador West Med's West terminal.

MSC & Maha Capital Partners
announce a development agreement for Misurata.

North African port investments are expanding container handling infrastructure and may strengthen the region's attractiveness as an alternative transshipment location for global carriers.

POTENTIAL IMPACTS OF TRANSSHIPMENT RELOCATION

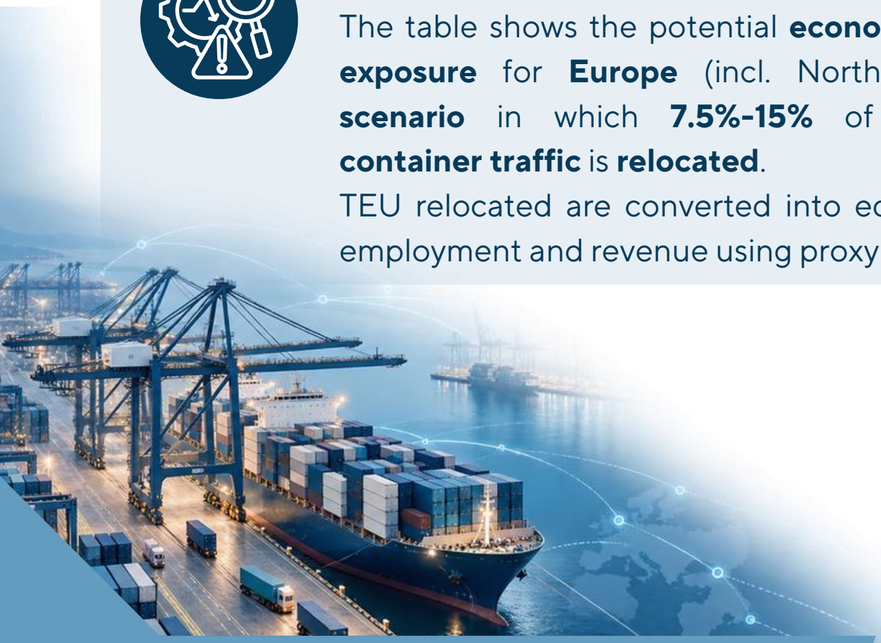
Potential economic and employment exposure for Europe (incl. Northern range)

WHY THIS MATTERS

Ongoing and planned **investments in North African** ports may increase the attractiveness of alternative transshipment hubs, potentially leading to a **relocation of part of transshipment traffic** currently handled in European ports.

HOW TO READ THE ESTIMATES

The table shows the potential **economic** and **employment exposure** for **Europe** (incl. Northern range) under a **scenario** in which **7.5%-15%** of the **transshipment container traffic** is **relocated**.
TEU relocated are converted into equivalent investments, employment and revenue using proxy parameters.



KEY RESULTS – EUROPE (INCL. NORTHERN RANGE)

	Range	
	Min	**Max**
Transshipment exposure pool (TEU)	38,000,000	42,000,000
% TEU relocated	7,5%	15%
TEU relocated	**2,850,000**	**6,300,000**
Conversion factor to additional investments	1.43	1.43
Additional capacity requested	4,071,429	9,000,000
CAPEX per TEU (€)	350	400
Equivalent investment for relocated TEU (€)	**1,425,000,000**	**3,600,000,000**
Employees per TEU (Italy, average)	0.000703394	
"Relocated" employees	**2,005**	**4,431**
Revenue per TEU (Italy, average) (€)	141.65	
"Relocated" revenue (€)	**403,701,727**	**892,393,291**

2.9-6.3 million TEU
potentially relocated from European ports

1.4-3.6 billion €
equivalent investments for relocated TEU

2,000-4,400 employees
potentially affected

0.4-0.9 billion €
revenue potentially at risk

THE 300-NAUTICAL-MILE RULE

Limits of the rule in preventing transshipment relocation

1

DOES NOT FULLY PREVENT RELOCATION

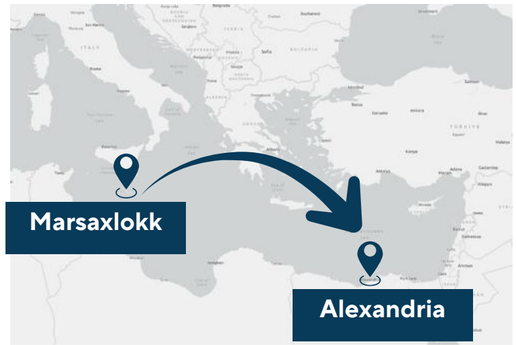
The current "**300-nautical-mile rule**" fails to fully prevent the relocation of capacity and container throughput in the post-ETS scenario, potentially also generating unforeseen negative spillovers in terms of carbon leakage within the container transshipment market.

2

CREATES A COMPETITIVE ADVANTAGE

For **global** and **interregional services** involving an EU port call functioning as an intercontinental transshipment hub, relocating that call to a competing third-country port (MODEL B.2 – CASE STUDY 1) may allow the ocean carrier to fall totally or partially outside the scope of the EU ETS. This creates a **competitive advantage** for the share of cargo destined to non-EU markets (e.g. the Americas), which is typical of deep-sea shipping on East-West routes, and will then avoid the ETS extra cost entirely.

CASE STUDY 1 – OCEAN ALLIANCE MED 5



Relocating the EU port call from Marsaxlokk to Alexandria resulted in **substantial regulatory savings** (0% ETS pricing on the vessel and the cargo).

CASE STUDY 2 – LEVANTE EXPRESS



Replacing the EU port call from Gioia Tauro to Abu Qir could also generate **regulatory savings**, even if the substitute North African port (Abu Qir) was covered by the "300-nautical-mile rule".

Overall, the rule can limit some risks of evasive port calls, but it does not fully remove the economic incentive to shift transshipment activities from EU hubs to third-country ports. These limitations provide the rationale for the Commission's proposed revision of the EU ETS framework.

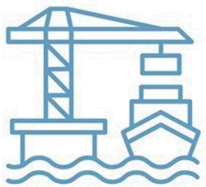
ASSESSMENT OF THE COMMISSION PROPOSAL

Proposed measures to address transshipment relocation

Against this background, the European Commission's **2026 EU ETS revision proposal (COM(2026) 616 final)** adopts a two-pronged approach to address the limitations of the current framework and the relocation of transshipment activities.

01 - STRENGTHENED ANTI-EVASION FRAMEWORK

A third-country port would be added to the relevant list where either:



1. It is located within 150 nautical miles of a Member State port and meets specified criteria relating to draft, berth length, and ship-to-shore cranes; or
2. Transshipment represents more than 50% of its total container traffic and the port is located within 300 nautical miles of a Member State port.

> Container ship calls at these ports would be excluded from the definition of "port of call".

02 – INCENTIVE-BASED MEASURE

Through 2035, container ships with a capacity of at least 10,000 TEUs operating inbound voyages exceeding 300 nautical miles would be permitted to surrender fewer allowances.



Until 2035

>= 10.000 TEUs

Inbound voyages > 300 nautical miles

> The reduction would reflect the share of containers unloaded at an EU port solely for transshipment onto another vessel bound for a non-EU port. Related in-port emissions would also qualify.

Overall, the approach combines a strengthened anti-evasion framework – the "300-nautical-mile rule" – with an incentive-based measure under proposed new Article 12(3-g), intended to retain transshipment activities in Europe through a dedicated reduction in surrender obligations.

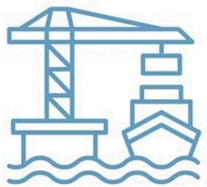
ASSESSMENT OF THE COMMISSION PROPOSAL

Key limitations and enforceability

While the proposal represents **important political recognition of a concrete current risk and concern**, it is **not adequately designed to address it fully**.

01 - STRENGTHENED ANTI-EVASION FRAMEWORK

The proposal would **significantly expand** the number of third-country ports at which container ship calls would be **excluded from the definition of "port of call"**.



> However, it retains the fundamental weakness of the existing framework: it **does not adequately address the relocation of deep-sea transshipment activities beyond the EU.**

02 – INCENTIVE-BASED MEASURE



1. **Inbound voyages only**: it applies only to inbound voyages, leaving outbound deep-sea voyages fully subject to EU ETS surrender obligations.
2. **10,000 TEU threshold**: it applies only to container ships with a capacity of at least 10,000 TEUs, excluding relevant deep-sea services such as Mediterranean–US routes.
3. **Partial reduction**: it provides only a proportional reduction for a limited category of transshipped containers - namely, qualifying non-EU-bound cargo.

> Because vessels typically carry both EU-bound and non-EU-bound cargo, the mechanism **preserves a significant EU ETS cost differential between EU and third-country hubs**.

03 – ENFORCEABILITY OF THE INCENTIVE-BASED MEASURE

Where a container ship must demonstrate qualifying transshipment activity, the **cargo manifest would provide the primary evidence**. The data could be made available to **accredited verifiers through the MRV reporting cycle**.

Overall, the proposal is an important signal, but its limited scope and design may not be sufficient to stop the ongoing relocation of transshipment activities.

ASSESSMENT OF THE COMPROMISE AMENDMENT

Article 12 – paragraph 3-g – Incentive-based measure

The amendment reconciles two approaches: the Commission's methodology, based on the **share of transshipped cargo**, and Spain's methodology, based on **voyage distance**.

01 - AMENDED SCOPE

By way of derogation from paragraph 3, first subparagraph, point (c), shipping companies may surrender a reduced number of allowances in respect of verified emissions released from voyages from a port of call outside the jurisdiction of a Member State to a port of call under the jurisdiction of a Member State, **and from a port of call under the jurisdiction of a Member State to a port of call outside the jurisdiction of a Member State**, if performed by **containerships with a capacity of 5,000 TEU or above** and the **distance of each voyage exceeds 300 nautical miles**.



Both inbound and outbound voyages



Containership with a capacity of 5.000 TEU or above



Distance of each voyage exceeds 300 nautical miles

Definition:

- a **container** shall be considered to be transhipped where, at a port of call in the course of its transport to its final destination, it is **unloaded from a ship for the purpose of being loaded onto another ship**.
- the **percentage of transshipment** shall be defined as the share, measured in twenty-foot equivalent units (TEU), of transhipped containers loaded and unloaded by the containership during the relevant port call under the jurisdiction of a Member State, in relation to the total number of containers loaded and unloaded by that containership during the same port call, on the basis of the information contained in the ship's cargo manifest, including the relevant loading and unloading records.

02 - CALCULATION LOGIC

$$A = 0.50 \times E \times TF \times D$$

For each eligible voyage, the amount of allowances to be surrendered (A) shall be calculated by multiplying the number of allowances corresponding to 50% of the verified emissions (E) from that voyage by the transhipment factor (TF) and the distance factor (D).

TABLE 1 - TRANSSHIPMENT FACTOR (TF)

Percentage of transshipment at the EU port call	TF
More than 50 %	0.00
More than 40 % and up to 50 %	0.20
More than 30 % and up to 40 %	0.50
Up to and including 30 %	1.00

TABLE 2 — DISTANCE FACTOR (D)

Distance of eligible voyage (nautical miles)	D
More than 300 and up to 3,000	1.00
More than 3,000 and up to 4,000	0.90
More than 4,000 and up to 5,000	0.80
More than 5,000 and up to 6,500	0.70
More than 6,500 and up to 9,700	0.50
More than 9,700	0.30

For each reporting year, the reduction resulting from this paragraph shall be the difference between the number of allowances that would otherwise have been required and the number required after applying this paragraph. An amount of allowances corresponding to that difference shall be cancelled rather than auctioned pursuant to Article 10.

ASSESSMENT OF THE COMPROMISE AMENDMENT

Illustrative example: EU transhipment versus North African relocation

For each eligible voyage, the **amount of allowances** to be surrendered (A) shall be calculated by multiplying the number of allowances corresponding to 50% of the verified emissions (E) from that voyage by the transhipment factor (TF) and the distance factor (D).

01 - INPUTS FROM THE ELIGIBLE VOYAGE

Vessel capacity: 11,000 TEU containership

Inbound: non-EU → EU
4,500 nm | 3,000 tCO_2

Outbound: EU → non-EU
4,500 nm | 3,000 tCO_2

Total emissions (two legs)
6,000 tCO_2

02 - TRANSHIPMENT DEFINITIONS AND FACTORS

EU COMMISSION PROPOSAL
45% of discharged containers transhipped onto another vessel bound for a non-EU port. **45%**

COMPROMISE AMENDMENT
45% of all containers loaded and unloaded at the EU port call are transhipped. **45%**

Both percentages are assumed to be 45% for illustration; their definitions and denominators differ.

FACTORS (COMPROMISE AMENDMENT)

TRANSSHIPMENT FACTOR (TF)	DISTANCE FACTOR (D)
0.20 (45%)	**0.80** (4,500 NM)

ALLOWANCES PER LEG
(compromise amendment)
A = 0.50 × 3,000 × 0.20 × 0.80
= 240 allowances per leg

03 – RESULTING EU ETS ALLOWANCES FOR THE SAME VOYAGE (NON-EU → EU → NON-EU)



STANDARD EU ETS	EU COMMISSION PROPOSAL	COMPROMISE AMENDMENT	ALTERNATIVE ROUTING: RELOCATION TO NORTH AFRICA
3,000 allowances inbound 1,500 + outbound 1,500	**2,325 allowances** inbound 825 + outbound 1,500 **-22.5%** vs standard EU ETS	**480 allowances** inbound 240 + outbound 240 **-84%** vs standard EU ETS	**0 allowances**

Note: In-port emissions excluded.

The amendment would make the relocation of transshipment traffic outside the EU **significantly less economically attractive**.