Press Release

A Global Carbon Tax on Shipping Emissions

ALLIE WATSON | MAY 19, 2025

In a new insight, Director of Energy and Environmental Policy Shuting Pomerleau analyzes a global carbon tax on maritime transport, an agreement reached at the International Maritime Organization (IMO) last month.

Key Points:

- *In April 2025, IMO agreed on measures to decarbonize the international shipping industry; 63 countries voted in favor of the proposal, 16 vetoed it, and the United States did not participate in the negotiations.*
- *The proposal is a mechanism that includes a fuel standard and a two-tiered carbon tax at $100 and $380 per metric ton of carbon dioxide equivalent emissions, and awarded, transferable tax credits that can be carried forward to offset a shipping company's tax liability.*
- *There may be some challenges to implement the policy, as the carbon tax and fuel standard combination would introduce complexity and uncertainty, as well as increase the administrative and compliance burden for the regulator and shipping companies.*

Read the analysis.