

The rise of regional rules risks more complex and costly global shipping

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Global trade has grown again in 2025. Ships are carrying more goods, routes are expanding and new markets are emerging. But behind that growth, regional trends are pulling in different directions – and the rules that shape trade are fragmenting.

From tariffs and port fees to differing climate rules and export restrictions, a wave of regional policies is adding complexity and cost to trade. For exporters, importers and consumers, that means more uncertainty about prices, routes and delivery times. For carriers, it means constantly adjusting global networks to keep cargo moving.

Decarbonisation: where we need ambition and alignment

While tariffs have grabbed the headlines in 2025, we've observed a growing web of regional emissions rules that now risks slowing the industry's decarbonisation and making global shipping more complex and costly.

In last year's edition, I wrote that green ships are coming, but commercially viable green fuel is the bottleneck. That is still true. Ocean carriers have ordered hundreds of dual-fuel vessels and are spending billions on engines, storage systems and port infrastructure for low- and zero-GHG fuels. I noted that more than 600 dual-fuel liner vessels were due to be on the water by 2030; with orders placed this past year, that figure is now over 1,000. The direction of travel is clear: shipping is gearing up to reach net-zero greenhouse gas emissions.

The World Shipping Council is strongly behind that goal. Our members are making long-term commitments to build the ships and prepare the supply chains that a net-zero future will need.

What has lagged behind this ambition is the global regulatory framework that will

make those fuels competitive and widely available. At the International Maritime Organization (IMO), governments have been working on a Net Zero Framework – a package that combines a fuel standard with an economic measure to narrow the price gap between fossil fuels and green fuels. While there are differences concerning what regulatory elements are critical, a global measure is exactly what is needed to serve global trade: one system that provides a level playing field and gives shipowners, fuel producers and ports the clarity to invest at scale.

Unfortunately, the IMO decision on the Net Zero Framework was postponed in October 2025, leaving another year without the clarity needed to accelerate the transition. What has not changed is the fundamental point: a global solution remains the most efficient, affordable and effective way to get international shipping to net-zero.

Why a patchwork is bad news for Australia – and for the climate

When global rules stall, regional fragmentation tends to emerge.

We already see regional climate measures affecting shipping: different carbon-pricing schemes, fuel standards that apply only on some routes, and overlapping reporting systems that all ask for similar information in slightly different formats. Elsewhere, new port fees and trade measures are being introduced with little regard for how they interact with existing rules.

Each measure may look manageable on its own. Together, they create a dense web of differing requirements that drive up compliance costs while making shipping complicated and less efficient. A liner service linking Australia with Asia, Europe and North America in a single rotation can, in practice, be subject to several climate rules and trade measures

at once – each with its own definitions, exemptions and penalties.

The result is not only higher costs. Fragmentation also risks delivering less emissions reduction. If carbon prices and fuel rules vary widely between regions, cargo and ships may be re-routed, shifting emissions rather than cutting them. Conflicting definitions of what counts as “green fuel” blur the demand signal for fuel producers, slowing investment instead of accelerating it.

Global rules for a global industry

The problem is not regulation – it is uncoordinated regulation pulling a global system in different directions and slowing progress toward net zero.

IMO remains the place to get a global agreement. That means pressing ahead with a single framework that cuts emissions and gives industry the certainty to invest.

For Australia, backing that outcome aligns climate ambition with economic self-interest. A predictable global regime clarifies future carbon costs for exporters and importers, helps unlock investment in green fuel production and bunkering, and supports Pacific partners that rely on maritime links.

At the start of 2025, the question was whether green fuels would arrive in time for the green ships being built. That question still stands. Today there is another: will the rules we design help global shipping reach net zero as efficiently and affordably as possible, or make the journey longer and more expensive than it needs to be?

If we keep the focus on ambitious global solutions, decarbonisation can strengthen – not weaken – the maritime connections Australia relies on and bring a net-zero global shipping system within reach. ▲