

Rt Hon Ed Miliband MP
Department of Energy Security and Net
Zero
3-8 Whitehall Place
London
SW1A 2AW

Rt Hon Heidi Alexander MP
Department for Transport
33 Horseferry Road
London
SW1P 4DR

17th April, 2026

Dear Secretaries of State,

Cc: Rt Hon Rachel Reeves MP, Rt Hon Peter Kyle MP, Chris McDonald MP, Keir Mather MP,

Joint letter: Call to bring forward the extension of the ETS to international shipping emissions to 2027

We are writing to urge the UK Government to bring forward the extension of the UK Emissions Trading Scheme (UK ETS) to international maritime voyages from the current proposed date of 2028 to 2027. Delaying the extension until 2028 risks postponing the benefits of alignment with our key trading partners and foregoes investment opportunities that the revenues of the UK ETS could provide to the UK Exchequer.

The Common Understanding gained from the UK-EU Reset Summit specified alignment as a mechanism to level the playing field for industry and to resolve potential trade friction arising from differences between the two systems. As the European Union's Emission Trading Scheme (EU ETS) already covers international shipping emissions, the logical and necessary next step for the UK is to include international emissions. Waiting until 2028 delays the strategic and economic advantages an aligned system would offer.

By bringing forward the extension of the scheme to international emissions to 2027, an additional [~£574 million in revenue](#) could be raised for the UK Exchequer. Which could be invested in the decarbonisation of the sector. Some of this revenue could be invested to kickstart the UK's green fuels sector and fund essential infrastructure, such as onshore power at ports. This would foster economic growth, create skilled jobs, and contribute to industrial regeneration in coastal areas. Developing domestic green fuel production could enhance energy security and resilience by reducing the reliance on imported fossil fuels. Without this investment, the UK risks losing green jobs, economic growth, and technological leadership to other nations, remaining import-dependent for fossil fuels.

The EU ETS already covers international shipping emissions and is expected to raise [~£8.7 billion per year](#) from the maritime sector. The EU is already planning to mobilise [£2.5 billion](#) of this money to unlock investments and scale up production of green fuels by the end of 2027. By waiting until 2028, the UK risks ceding first-mover advantage to the EU.

We therefore urge the Government to bring forward the extension of the UK ETS to emissions from international maritime voyages to 2027 rather than waiting until 2028.

We would welcome the opportunity to discuss this further and stand ready to support both Departments in the extension of the UK ETS to international emissions.

Kind Regards,

