BRIEFING - March 2026

No room for evasion: strengthening the maritime ETS to protect climate and competitiveness

T&E proposal to prevent evasive behaviors and expand the Shipping ETS to smaller ships

Summary

This briefing looks at a particular type of carbon leakage from the Maritime ETS, 'evasive' port calls, and proposes targeted regulatory adjustments to prevent carbon leakage risks. 'Evasive' port calls can take place if vessels insert an additional port call in a neighbouring non-EU port in order to shorten the ETS-relevant leg of a voyage and reduce ETS liability. Initial analysis led by the European Commission in March 2025 did not find systemic evidence of such behaviour, but monitoring continues.

Overall observed traffic patterns since ETS implementation do not indicate systemic or structural evasive port calls. Analysis comparing pre-ETS (2023) and post-implementation (2024) traffic across Atlantic, Mediterranean, and North European regions reveal mixed trends. While certain routing adjustments are observable, they do not constitute clear evidence of widespread systematic ETS-driven evasion.

Regional evidence is mixed and inconclusive regarding deliberate evasive port calls. In 2024, Atlantic EU ports saw fewer overall calls but more direct arrivals from distant, low-risk non-EU ports, suggesting no systematic addition of ports calls in nearby non-EU ports to evade the ETS. In the Eastern Mediterranean, there is some evidence of changes to port stop patterns, though rerouting linked to Red Sea disruption is a credible alternative explanation. In both the Western Mediterranean and North European ports, routing patterns remained broadly stable despite a slight decline in overall voyage numbers, with no clear evidence that ships made new evasive port calls. Although these changes do not prove evasion, they indicate that incentives may emerge in the future.

Targeted regulatory adjustments can remove emerging incentives without overhauling the ETS framework. The briefing proposes expanding the current port list to include more non-EU ports located within 300 nautical miles of an EU port, by lowering the transhipment activity threshold from the 65% currently in place to 40%. This could remove potential incentives to re-route by calling at currently non-listed ports as the scope of the ETS expands to 100% of liable emissions in 2026. In addition, an "ETS-as-a-service" clause would ensure that a share of the ETS revenues generated from voyages involving neighbouring non-EU ports is redistributed to those countries. This mechanism would discourage rerouting while enhancing cooperation and strengthening political acceptability.

The inclusion of smaller vessels can be done through simplified reporting. This briefing proposes to split the reporting between ETS 1 and ETS 2 based on operational patterns (e.g. small ships would fall under ETS2 if they engage in 80% EU-based voyages). This would minimise administrative burden by placing compliance upstream at the fuel supplier level for ships falling under ETS2. In addition, a simplified monitoring and reporting system focused on annual fuel consumption and CO_2 emissions would ensure proportionality while preserving environmental integrity.

1. Assessing risks of carbon leakage from evasive port calls

Since the entry into force of the maritime extension of the EU Emissions Trading System (ETS) in January 2024, concerns regarding potential carbon leakage have been raised by several Member States and port authorities. These concerns centre on the risk that shipping operators may alter routing patterns (additional port calls, changes in order of port calls) to minimise ETS exposure, potentially undermining both environmental integrity and the competitiveness of EU ports.

The European Commission's first implementation report (March 2025) did not identify confirmed cases of carbon leakage attributable to the maritime ETS. However, the scheduled ETS review in 2026 provides an opportunity to re-assess and, where necessary, strengthen safeguard mechanisms to prevent the emergence of evasive practices.

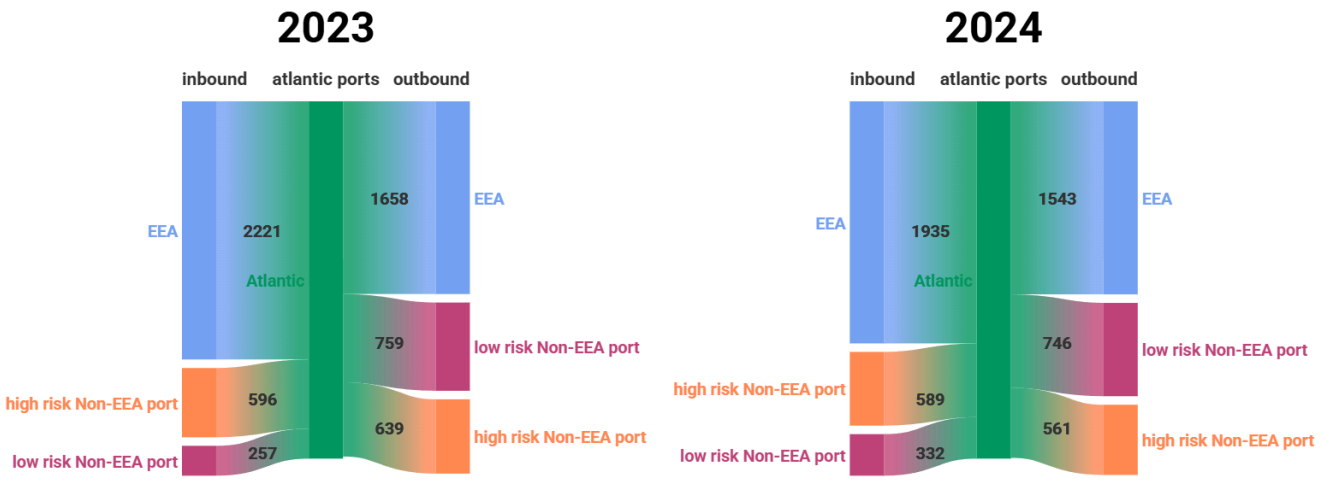
This briefing focuses on one of the major carbon leakage risks: vessels inserting an additional port call in a neighbouring non-EU port in order to reduce the ETS-relevant leg of an inbound or outbound EU voyage and thereby minimise their ETS exposure.

1.1 Evolution of traffic since the maritime ETS implementation

To respond to alleged claims of carbon leakage due to the implementation of the maritime ETS, we looked at the evolution of port traffic at selected major ports between 2023 (pre-ETS) and 2024 (year of the implementation of the ETS), broken down by region (Atlantic, West Mediterranean; East Mediterranean and North of Europe) - meaning the number of ports calls at identified EU ports from or to Europe, non-EU ports close to the EU and representing a risk of evasion located within 300nm of an EU port (*high risk*) and non-EU ports located far away from an EU port and representing a risk of evasion (*low risk*).

1.2 Atlantic and Mediterranean regions: mixed signals but no systemic evidence of inbound evasion

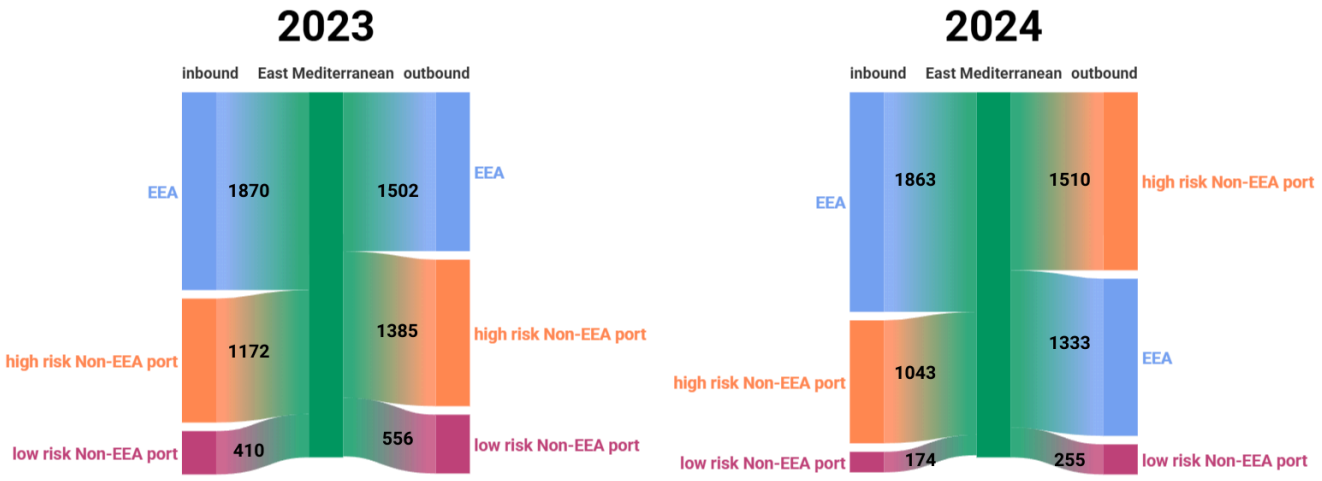
Voyages to and from Atlantic ports



Source: T&E analysis (2026) based on AIS data. • High risk Non-EEA ports are ports within 300 nm of Dunkerque, Le Havre or Sines.

In 2024, overall port calls at Atlantic ports (Dunkerque, Le Havre, Sines) declined, including inbound intra-European voyages. At the same time, the number of vessels arriving directly from distant, low risk non-EU ports increased (332 in 2024 compared to 257 in 2023), indicating fewer intermediate stops before calling at an EU Atlantic port. Taken together, these trends do not suggest the systematic addition of evasive port calls - defined as additional port calls compared to ships' usual routes - in the Atlantic region.

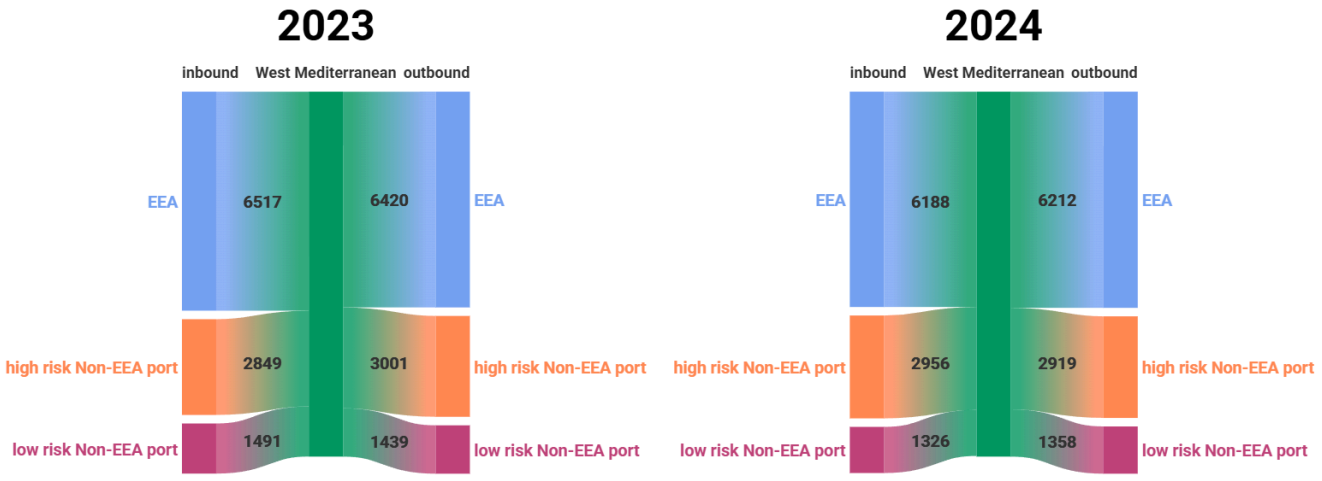
Voyages to and from East Mediterranean ports



Source: T&E analysis (2026) based on AIS data. • High risk Non-EEA ports are ports within 300 nm of Piraeus or Limassol.

In 2024 in the East Mediterranean (Piraeus and Limassol), fewer vessels arrived or departed directly from or to distant, low risk non-EU ports, marking a clear shift from 2023. Concurrently, more ships departed EU East Mediterranean ports towards high risk non-EU ports before continuing further afield. This pattern may indicate the insertion of a non-EU port call after the EU stop, potentially to break down voyages to reduce EU ETS costs. However, given the significant disruption and re-routing linked to the Red Sea crisis in 2024, it is difficult to separate this impact from any possible changes linked to the EU ETS for ports in this region.

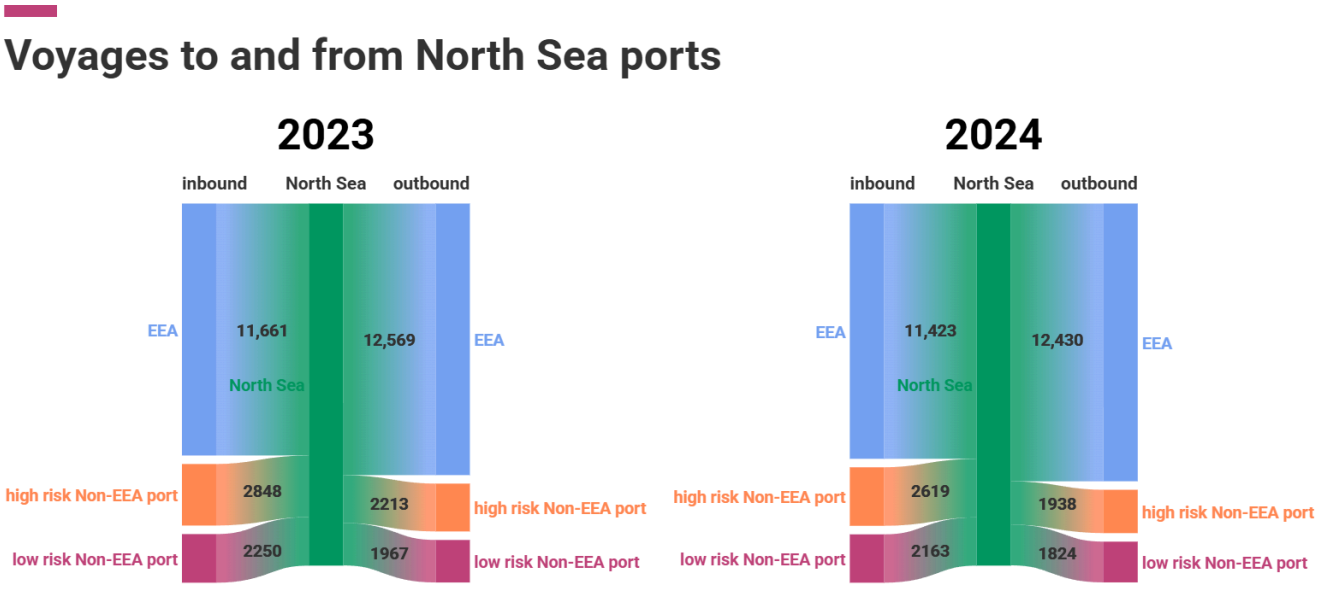
Voyages to and from West Mediterranean ports



Source: T&E analysis (2026) based on AIS data. • High risk Non-EEA ports are ports within 300 nm of Algeciras, Valencia, Gioia Tauro, Cagliari or Malta Freeport.

For West Mediterranean EU ports (Algeciras, Barcelona, Cagliari, Gioia Tauro, Malta, Valencia), the data show no change in the routing patterns, although there was a slight decline in total voyages connected to these ports. There is no clear indication of additional evasive stops.

1.3 North Europe: observed trends don't allow for strong conclusions



Source: T&A analysis (2026) based on AIS data. • High risk Non-EEA ports are ports within 300 nm of Rotterdam, Antwerp, Bremerhaven or Hamburg.

Similarly to Western Mediterranean ports, in 2024, there was a slight decline in the overall number of voyages connected to North European ports (Hamburg, Bremerhaven, Rotterdam, Antwerp), but the overall pattern remained unchanged, meaning ships did not insert additional port stops to shorten the ETS liable leg of the voyage.

Taken together, the regional analysis points to differentiated and, in some cases, ambiguous routing adjustments rather than clear-cut evidence of systematic carbon leakage, which is consistent with the analysis conducted by the Spanish ETS-observatory. Although certain trends - particularly in the Eastern Mediterranean - deserve continued monitoring, the available data do not provide clear evidence of widespread evasive port calls. However, given the possibility that this type of practice could further develop over time, policymakers should monitor developments and strengthen safeguards.

2. T&E proposal to prevent rerouting and preserve EU ports competitiveness

This section outlines a targeted regulatory adjustment to address the risk of evasive port calls. A recently published study from the Spanish ETS-observatory points to some routing

adjustments, and DG CLIMA has publicly indicated that the list of non-EU transshipment ports was being reviewed. Although there is currently no widespread use of this practice it seems like a cautious and strategic approach to introduce safeguards now to ensure that such behaviour does not emerge as a systematic risk in the future.

2.1 Current framework: identification of neighbouring non-EU transhipment ports

Ahead of the maritime ETS entering into force, the European Commission identified certain non-EU neighbouring container transhipment ports considered at risk of facilitating evasive behaviour, including relocation of transhipment activities. Under the current ETS framework, calls at these designated ports are not treated as 'port calls' for the purpose of emissions accounting. Instead, emissions are calculated as if the vessel had sailed directly to or from the preceding or subsequent port.

This mechanism was designed to discourage routing adjustments through nearby non-EU hubs, and based on two criteria: being located outside the EU/EEA but within 300 nautical miles of an EU port, and with a container transhipment activity representing more than 65 % of total container traffic. Under the current framework, only two ports are listed - Tanger Med (Morocco) and Port Saïd (Egypt).

2.2 Proposed reform: expand the list of non-EU neighboring ports and lower the transshipment threshold

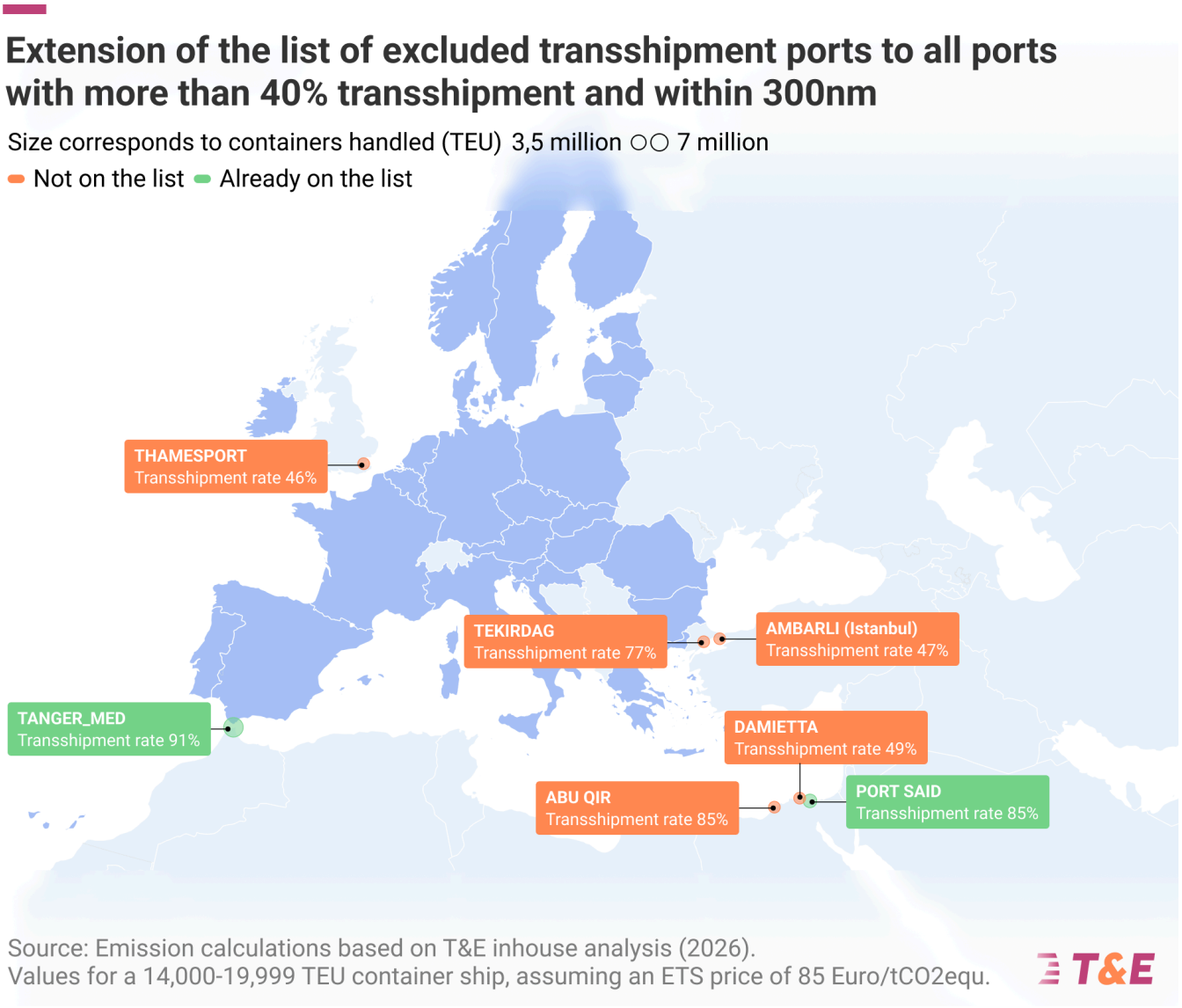
To strengthen the system's robustness, this briefing proposes **expanding the list of neighboring non-EU transhipment ports** under the EU ETS, **to include all non-EU ports located within 300 nautical miles** , and to lower the transhipment threshold activities to 40% instead of the 65% currently in place.

Under the current system, only the two most significant non-EU transshipment ports are treated as non-port calls for ETS purposes. This creates a potential gap whereby ships may change the order of ports calls, or add an additional port call through other nearby non-EU ports that fall below the threshold but still offer opportunities to reduce ETS exposure.

By applying the same treatment to all non-EU ports located **within 300 nautical mile radius with a 40% transhipment threshold activities**, the revised framework would address carbon leakage risks on EU to non-EU voyages and on non-EU to EU voyages. By broadening the list, such intermediate calls would no longer reduce ETS exposure, thereby limiting routing strategies designed to minimise ETS costs.

Our analysis shows that currently, there are 159 non-EU ports located within 300nm of an EU port considered at risk of carbon leakage. As shown in the map below, expanding the list to only

five extra ports takes into account the ports through which more than 90% of transhipments in neighbouring EU regions take place.



2.3 Complementary mechanism: introducing an 'ETS-as-a-service' clause

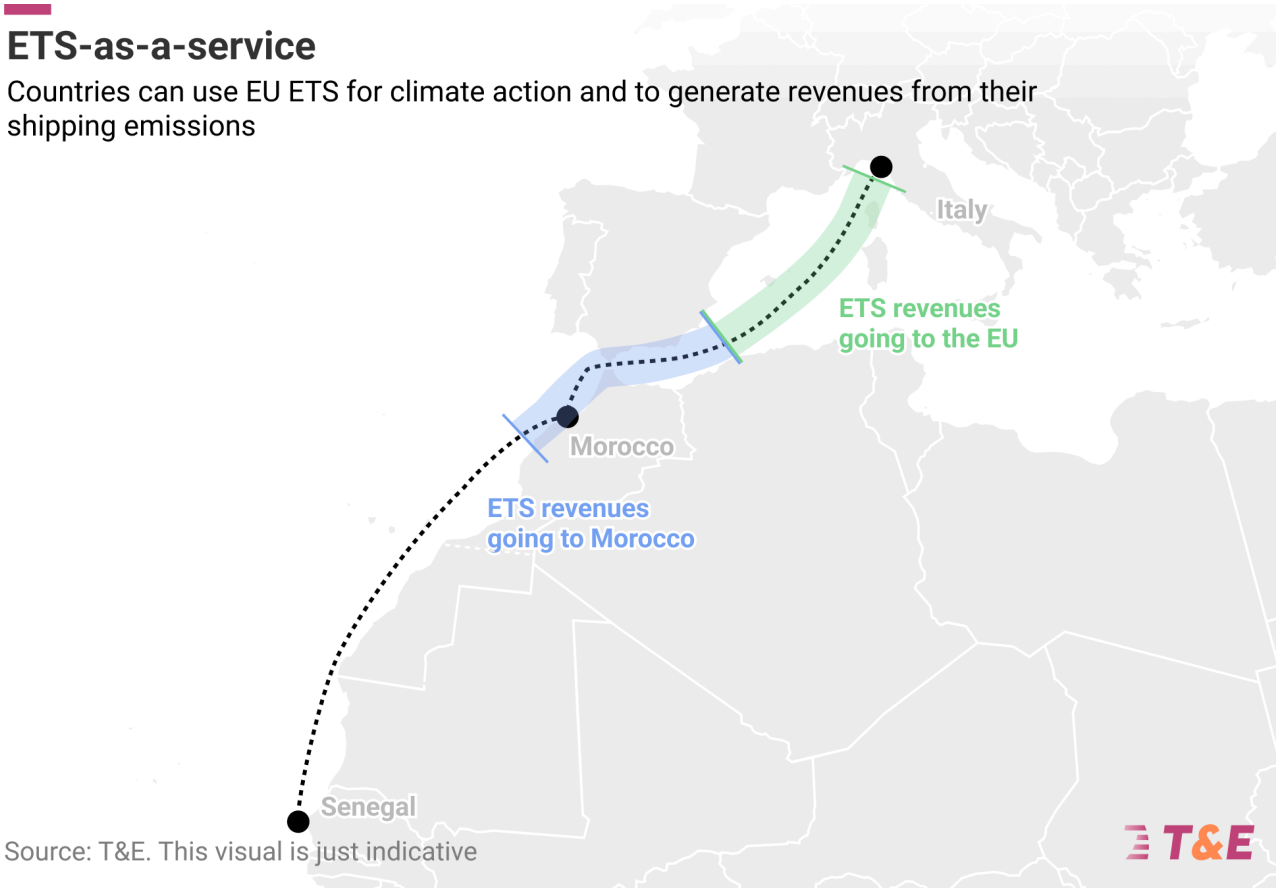
To reinforce the effectiveness and political acceptability of the proposed extension, this briefing also suggests introducing an "ETS-as-a-service" mechanism.

Under existing rules, designated ports such as Tanger Med and Port Saïd are effectively treated as if vessels had not called there for ETS calculation purposes. The proposed ETS-as-a-service clause would extend a comparable approach to all ports included in the expanded neighbouring non-EU list mentioned above.

Under this model, the EU ETS would apply:

- To 50% of emissions from voyages between EU ports and the last port call preceding a call at a listed neighbouring non-EEA port (for inbound voyages), or the next port of call after a listed neighbouring non-EEA port (for outbound voyages).
- **Additional ETS revenues generated** through this mechanism would be **redistributed** to the **selected neighbouring countries -** that is those countries where port calls would be ignored for ETS calculation purpose**s**.

This approach would create a direct financial incentive for these countries to cooperate with the EU's carbon pricing approach, even if they are not formally part of the ETS framework. It would discourage shipping companies from changing their routes through nearby non-EU ports simply to lower their ETS costs, thereby protecting the system's environmental effectiveness, and would broaden the impact of carbon pricing beyond the EU's borders without formally extending EU jurisdiction.



As this graph is showing, for an Italy-Senegal journey with a stop in Morocco, the ETS-as-a-service system would price 50% of the whole trip, with half of this 50% revenues going back to Morocco while under the regular ETS, only Italy would get part of the revenues back.

By including **a revenue-sharing element**, the mechanism could support practical cooperation with neighbouring countries on climate and maritime issues, making the policy more politically acceptable and easier to implement.

To summarise, expanding the list of neighbouring non-EU ports and lowering the transhipment threshold would close identifiable loopholes and safeguard EU port competitiveness. The addition of an ETS-as-a-service clause would further align environmental integrity with geopolitical pragmatism, ensuring that the maritime ETS remains both effective and resilient in a dynamic shipping market.

3. Including smaller ships with an adapted reporting process

Smaller ships of between 400 and 5000 gross tonnage (GT) are currently excluded from the EU ETS. At least **7326 vessels** fall in this category, **emitting almost 15Mt of CO_2** per year, in addition to generating significant air pollution in coastal areas. Extending the ETS to cover these smaller vessels can create the necessary incentives and resources to invest in their decarbonisation.

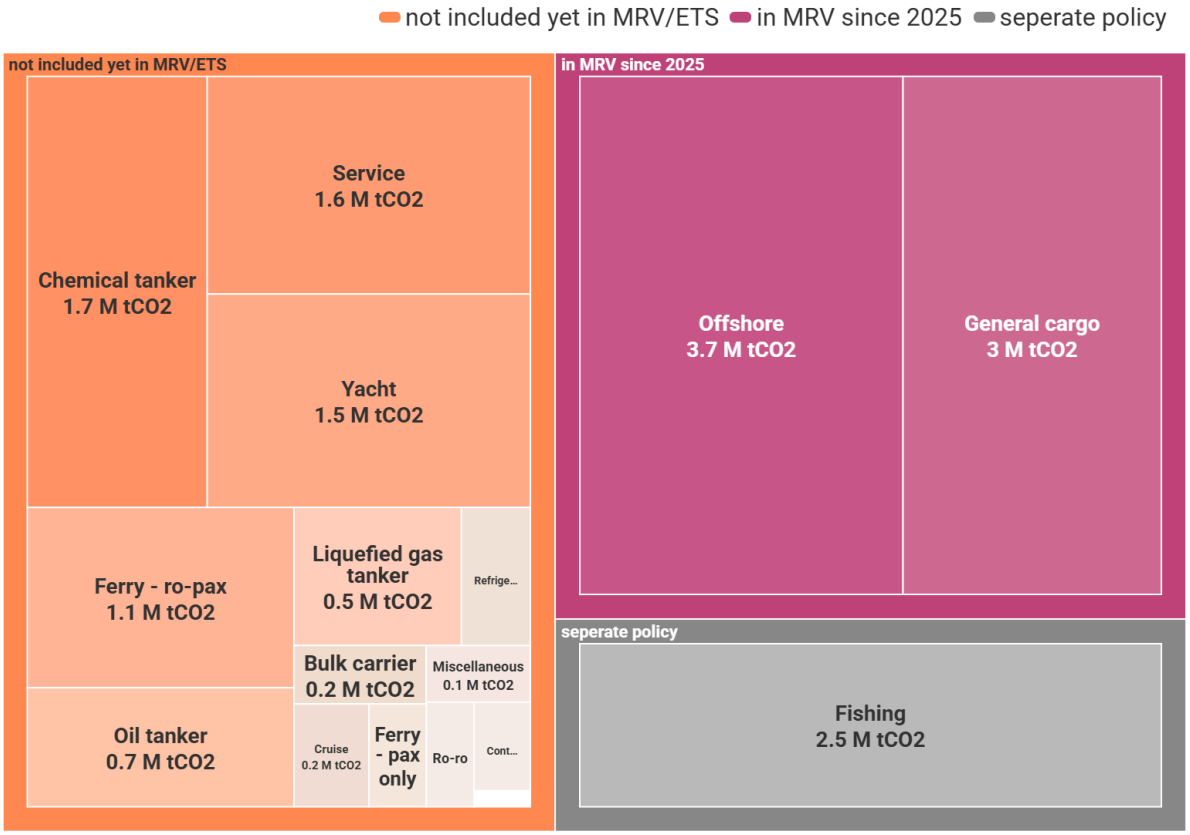
ETS coverage could increase by up to 16% if small vessels were included

CO2 emissions by ship categories in M tonnes of CO2

Source: T&E (2025) based on 2024 MRV and AIS data. Non cargo - carrying emissions for small vessels are from European Commission (2025) • For large vessels, only cargo - carrying vessels are included. For small ships, fishing boats are excluded.

Emissions from different types of small ships (400-5000 GT)

CO2 emissions by ship categories in M tonnes of CO2



Source: T&E (2025) based on 2024 MRV and AIS data. Non cargo - carrying emissions for small vessels are from European Commission (2025)

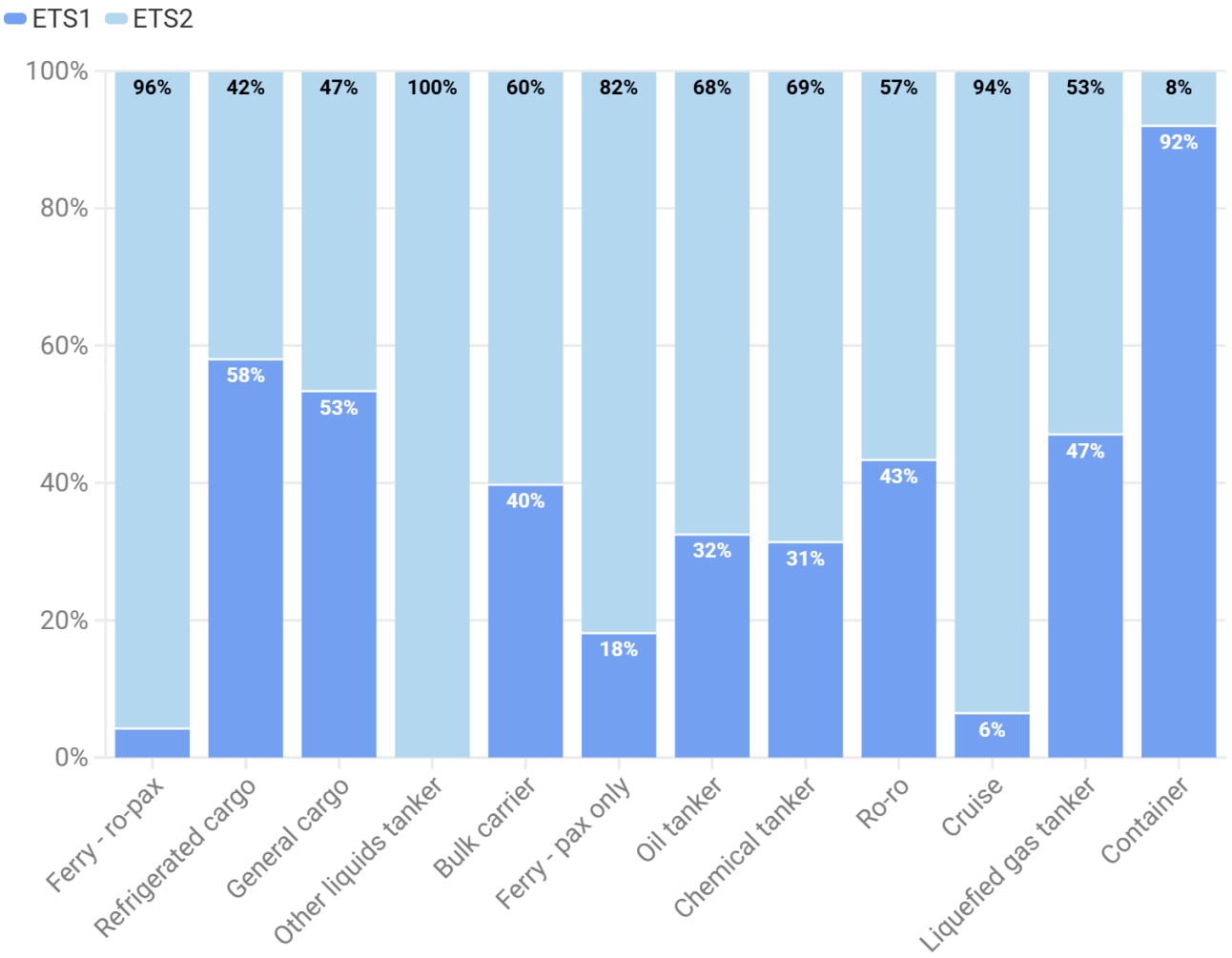
The inclusion of smaller ships would also generate significant revenues, estimated at between €910 million and €1.1 billion Euros in 2026, on average between 1.7 billion annually, between 2028 and 2035 most of which would go directly to Member States and could be used to support the decarbonisation of the sector.

3.1 Split the reporting for small ships between ETS 1 and ETS 2

The success of EU policy will depend on finding a balance between minimal administrative costs and the highest environmental ambition. The Commission report on the MRV for small ships highlights this dilemma.

In order to constructively contribute to addressing this challenge, **T&E recommends to split the monitoring and reporting of emissions for smaller ships (400-5000GT) between ETS 1 and ETS 2**, depending on the number of voyages per year, with a threshold set at 80%, for example. Under this system, small ships with **more than 80% of their voyages per year** taking place in the EU waters would fall under ETS 2.

56% of small ships would fall under ETS 2



Source: T&A analysis (2026) based on 2024 AIS data.

With this criterion, **56% of small ships** would report under ETS 2, which applies a carbon price at the upstream level, i.e. at the point of fuel sales. This would minimise the admin burden as the fuel suppliers will be responsible for ETS compliance, while ships should be required to perform only an *MRV-light*, most likely limited to monitoring annual fuel consumption, fuel types and operational hours. Four Member States - the Netherlands, Austria, Sweden and Finland, are already applying ETS 2 to inland water-borne navigation.

In the meantime, other small vessels can be incorporated into ETS 1 in order to avoid 'tankering', i.e. refuelling in third-party ports to avoid upstream ETS application.

3.2 Implement a lighter MRV monitoring focused on ETS compliance

As ETS compliance is based on verified CO_2 emissions, and as CO_2 emissions are directly derived from fuel consumption, monitoring requirements for smaller vessels under ETS1 could **focus on fuel-based emissions data**, avoiding the detailed transport work and voyage reporting

currently required for ships of 5000 GT and above (as per MRV Regulation 2015/757). However, smaller vessels would still be required to report, under both the MRV system and the ETS, the number of voyages performed annually, as this metric determines whether they fall under ETS 1 or ETS 2.

Under such a simplified regime, companies falling under ETS1 would report:

- Ship and company identification data (including IMO or national registration number, ship type and gross tonnage);
- Total annual fuel consumption by fuel type, differentiated where relevant between intra-EU voyages, extra-EU voyages (50% scope), and time at berth in EU ports;
- Calculated annual CO_2 emissions, using standard emission factors;
- Fuel category information (e.g. fossil, biofuel, RFNBO where applicable);
- A simplified description of the monitoring method (e.g. bunker delivery notes or fuel purchase invoices as default evidence).

To reduce administrative burden, the lighter regime would exclude voyage-by-voyage reporting, cargo carried, transport work, distance travelled, and other energy efficiency - related indicators, as these are not necessary for ETS compliance.

Verification requirements could likewise be simplified, focusing on annual fuel totals rather than detailed operational data. This approach would preserve the environmental integrity of the ETS while ensuring proportionality for smaller operators.

4. Conclusion

The first year of the maritime extension of the EU ETS shows no clear or systemic evidence of carbon leakage through evasive port calls, in line with the existing Commission assessment. Across the Atlantic, Mediterranean and North of Europe, we can observe an evolution of some traffic patterns, but the data do not indicate extensive or structural rerouting aimed at avoiding ETS costs.

At the same time, certain developments - particularly in the Eastern Mediterranean - suggest that some shipping companies may be performing changes in the order of port calls on specific routes. While these changes do not constitute strong proof of evasion behaviors, they underline that incentives could emerge as the ETS enters its final implementation phase, from 2026 onwards. In this context, the EU should consider targeted and proportionate adjustments to the framework, to anticipate potential loopholes and maintain both climate ambition and a level playing field for EU ports.

T&E recommendations

1 Extending the list of non-EU transhipments ports

Close identifiable gaps by extending the list of neighbouring non-EU transhipment ports, bylowering the transhipment threshold to 40%. This will reduce the incentive to add additional port calls to limit ETS exposure.

2 Implementing an ETS-as-a-service clause

This would improve financial and political cooperation with neighbouring countries, promote carbon pricing mechanisms and reinforce the effectiveness of the system while discouraging e rerouting strategies.

3 Including smaller ships (400-5000 GT) in the ETS scope

This would cover extra significant emissions, and generate additional revenues to support maritime decarbonisation. To prevent excessive administrative burden, reporting obligations for these ships would be split between ETS1 and ETS2, with simplified reporting requirements focusing on annual fuel consumption and CO2 emissions.

The implementation of these solutions should help prevent future evasion risks and protect port's competitiveness while maintaining a fair and predictable carbon pricing framework for the shipping sector.

Annex - Methodology

To analyse changes in the number of port calls in the ports at risk (Rotterdam, Hamburg, Bremerhaven, Antwerp, Dunkerque, Le Havre, Sines, Algeciras, Valencia, Barcelona, Gioia Tauro, Cagliari, Malta Freeport, Piraeus, Limassol) between 2023 and 2024, we analysed ships' movements in 2023 and 2024 with T&E's inhouse shipping emissions model, which is based on AIS data and vessel characteristics data (Clarksons World Fleet Register, 2025). We analysed the number of voyages of container ships of 5000 GT and above arriving and departing from the ports of interest, depending on their origin and destination port. Origin and destination ports were classified as 'EU port', 'Non-EU port on the list of neighbouring transshipment ports', or 'Non-EU port not on the list of neighbouring transshipment ports'. The list of neighbouring transshipment ports included all container shipping ports within a radius of 300 nm of any of the EU ports at risk listed above.

To calculate emissions from small ships (between 400 GT and 5000 GT), we again used data from T&E's inhouse shipping emission model, based on AIS data. This model covers emissions from the following ship types: Ferries, refrigerated cargo carriers, general cargo carriers, liquid tankers, bulk carriers, oil tankers, chemical tankers, ro-ro ships, cruise ships, liquified gas tankers, container ships. For other ship types (Offshore ships, yachts, service ships), we used data from the European Commission's report about the inclusion of small ships in the MRV and ETS (2025)[1].

As these emission data are based on 2023 AIS data, we used two different methods to have a range of possible emission values for 2024 from these ship types: The first approach was to take the ratio between emissions from the ship types in question (offshore, yachts, service ships) and the 2023 emissions from small ship types included in our 2024 AIS data model. We then applied this ratio to the 2024 AIS data to extrapolate the 2024 emission data of ship types that are not included in the AIS model. For the second approach, we assumed that 2024 emissions from these ship types would be as high as the 2023 values in the Commission's report.

To determine whether ships would be reporting under ETS 1 or ETS 2, we analysed the voyages of the ship types included in our AIS model, but only of those voyages that would have to be reported under the classic MRV scope (hence, EU related voyages). We then classified a 50% leg of all MRV-inbound and MRV-outbound voyages as 'Non EEA related' and the other 50% as 'EEA related'. 'MRV-intra' voyages were classified as 100% 'EEA related'. Applying these scope factors, we counted which share of each ship's voyages was EEA related. Ships with more than 80% EEA related voyages were counted as falling under ETS2. For ship types that were not included in our AIS data model, we did not have voyage data available and hence assumed that all ships would fall under ETS 1.

To calculate ETS revenues from small ships, we then applied forecasted ETS1 and ETS2 prices until 2035, based on BloombergNEF and the GMK center's forecasts [2,3].

[1] European Commission, REPORT FROM THE COMMISSION. Review of Regulation (EU) 2015/757 on the monitoring, reporting and verification of greenhouse gas emissions from maritime transport in relation to the potential inclusion of ships below 5 000 gross tonnage but not below 400 gross tonnage (2025).

[2] BloombergNEF, EU ETS II Market Outlook 2025 (2025).

[3] GMK center, Carbon price in the EU ETS to hit €126/t by 2030 (2025).

https://gmk.center/en/infographic/carbon-price-in-the-eu-ets-to-hit-e126-t-by-2030/

Further information

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