

PRESS REPORT - TRADEWINDS

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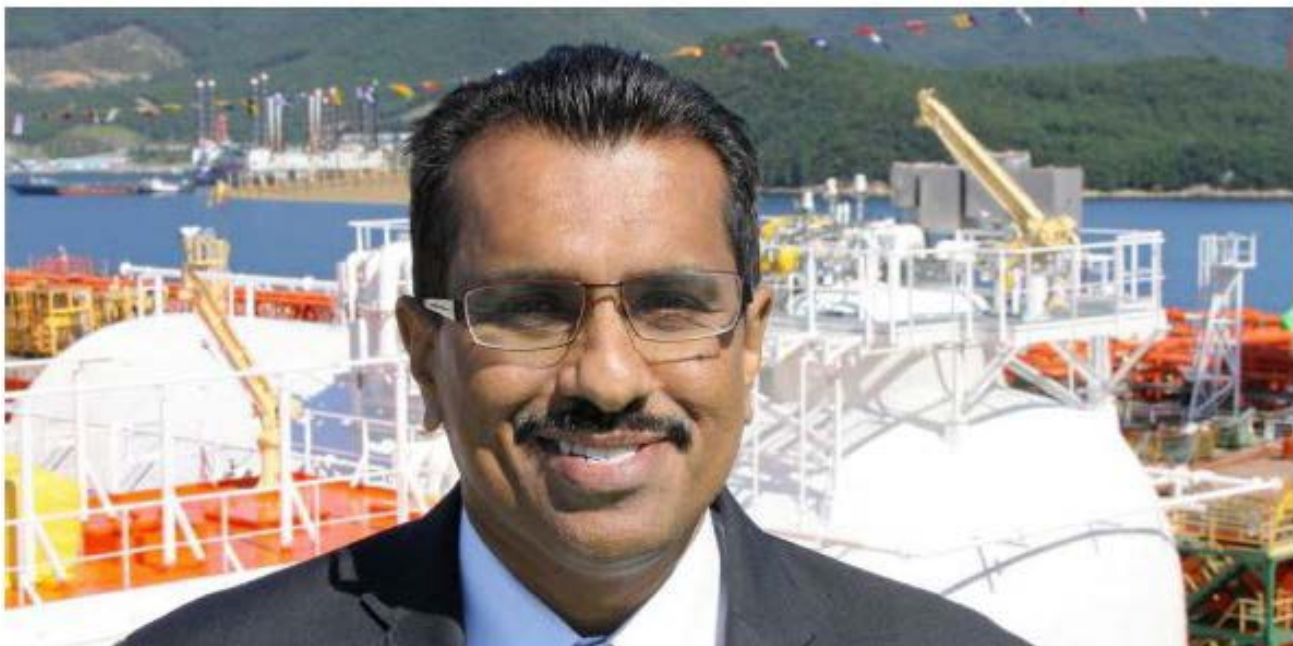
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AET president & CEO Rajalingam Subramaniam argues that better differentials between conventional and sustainability-linked loans would prompt more shipowners to invest in green ships. Photo: Jonathan Boonzaier

Shipowners call for better green financing incentives to drive decarbonisation

Industry players claim increasing cost competitiveness is the only way to get ball rolling on sustainable shipping

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By [Jonathan Boonzaier](#) [ES](#) [Singapore](#)

The momentum of sustainable finance in shipping has been growing exponentially as the industry's environmental performance stands in the spotlight.

But as shipping grapples with how to meet IMO-mandated targets and other increasingly tough emissions legislation, top industry executives have said that more needs to be done to level the competitive playing field between operators of eco and non-eco vessels.



[Asian momentum grows as Standard Chartered signs up to Poseidon Principles](#)

At the Singapore Maritime Forum held on Thursday, senior industry executives argued that banks could do more by offering stronger incentives to shipowners who want to invest in sustainable ships, while penalties needed to be imposed on those who wanted to continue the traditional way.

"You will only really kickstart alternative fuels and propulsion if it becomes cost competitive," Transport Capital founder and managing partner Philip Clausius told delegates at the online event organised jointly by Moore Stephens and BNP Paribas.

Most delegates agreed that sustainability-linked loans would become an increasingly large part of the ship finance scene, and financiers would place stronger emphasis on a client's environmental, social and governance (ESG) performance no matter what type of financing was being arranged.

"The capital markets have already spoken. They have already concluded that ESG is important to them, and they will allocate their capital in the future on the basis of how they feel these companies are incorporating strong ESG principles," said Clausius.