

# 'We don't build ships on beaches: why dismantle them there?'







**A total of 744 large commercial ships were sold to scrap yards last year. Of these vessels, 518 were broken down on tidal mudflats in Bangladesh, India and Pakistan.**

Sub-standard ship dismantling practices are still a major issue for today's recycling industry, delegates were told at the Ship Recycling Conference in Amsterdam in January. Last year, beaching represented a record-breaking 90.4% of the gross tonnage dismantled globally, according to Ingvild Jenssen of the NGO Shipbreaking Platform. She identifies the United Arab Emirates, Greece and the US as the top three ship 'dumpers' of 2018. Ship owners in the UAE were responsible for the highest number of ships sold to South Asian shipbreaking yards, with 61 ships being dismantled there. Greek owners beached 57 vessels out of a total of 66 sold for demolition. American owners closely followed with 53 end-of-life vessels broken up on the region's tidal mudflats.

#### **LETHAL PRACTICES**

Jenssen says the 'worst corporate dumper' title goes to the South Korean liner Sinokor Merchant Marine. The company, which has been struggling financially and is about to merge its container operations with Heung-A, sold 11 vessels to shipbreaking yards. Of these, eight vessels ended up in Bangladesh and three in India. Jenssen points out that a worker processing one of the ships at Leela Ship Recycling Yard in India was killed last April when an iron plate fell on him. The second company in her list is Norwegian Nordic American Tankers which, last year, reported having earned US\$ 80 million (EUR 71 million) for the sale of eight vessels for breaking. Three were sold to Alang in India

and five went to yards in Chittagong (Bangladesh).

'Shipbreaking employs over 18 000 workers in Bangladesh,' reports Syeda Rizwana Hasan, ceo of the Bangladesh Environmental Lawyers Association (BELA). She insists that the dismantling sector is only able to flourish in developing countries like Bangladesh because of a weak legal regime, government corruption and 'very weak' enforcement of regulations. 'The ones who pay the price, often with their lives, are the workers,' Hasan concludes. Such lethal outcomes are not surprising as only five shipbreaking sites in Bangladesh use cranes. 'Most work is still conducted manually,' she adds.

#### **'IT MAKES NO SENSE'**

Looking at the number of vessels discarded last year does not present a 'pretty picture' for Jim Puckett of the Basel Action Network. 'No less than 70% of all ships dismantled were beached in 2018,' he says. 'This makes no sense whatsoever. Think about it: do we build ships on beaches? No. Why not? There are a couple of fatal flaws to setting up shop right next to the ocean.'

For recyclers this location would be even more of a nightmare. 'Obviously, a soft surface prevents optimal placement of cranes and other heavy-duty equipment. Also, 100% recovery of pollutants is virtually impossible as much will be absorbed by the sand. And the close proximity of hazardous waste to the coast means leakage is inevitable,' Puckett argues. Ship breakers are rapidly expanding



## THE SOCIAL FACTOR



In India, all workers now have a personal ID stating their full name, job function, blood type and so on. 'So we can best identify them and help them should an incident occur,' says Kan Matsuzaki of IndustryALL.

The global group acts as a union for workers in the ship-breaking sector in Asia. Matsuzaki estimates there are about 120 000 workers employed in India, Bangladesh and Pakistan. IndustryALL represents 30 500 people as part of a special project launched in 2003. 'We managed to start a social dialogue between workers, ship owners and recyclers. Now the people finally have power,' Matsuzaki says.

The union introduced the safety pocket diary, a small manual with handy tips and tricks all workers look at before they start their shift. 'They carry it with them at all times. We also involve them in safety workshops and teach them about hazardous materials.' Once they retire from shipbreaking, they can become part of the union's education programme. 'This means they tell the new generation of workers about real-life situations and dangers,' he explains. 'Educating workers is important but feeling valued is essential. In the early days of shipbreaking, not even 15 years ago, the body of a worker killed in a shipbreaking accident was simply thrown into the sea. A small sum of money was given to his remaining family but that was it,' Matsuzaki recalls. 'Now workers we represent are paid a little over minimum wage. And they are respected.'

their non-compliant yards. 'At least 35% of mangrove forests have been destroyed over the last 30 years to make space for shipbreaking sites,' the BAN founder says.

Up to 95% of shipbreaking takes place in South Asia. 'It's not changing fast enough. Start-up costs are still very low and land does not have to be purchased - it is just appropriated without much government resistance,' Puckett points out. 'And, of course, nations in this part of the world have extremely low wages. This allows cash buyers to offer the most money for vessels up for auction. The question is: is it worth it?'

The antidote for Puckett is 'true leadership and understanding of sustainability' at the highest level of governance. The concept of a circular economy is not simply 'recycling on steroids', he says. A durable future hinges on 'revealing and designing out



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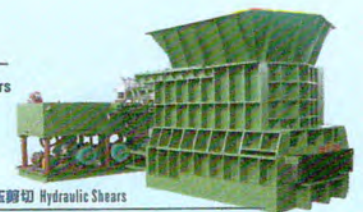
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negative externalities' rather than tolerating them.

#### FLEXIBLE FLAGS

So how do ship owners keep dodging the bullet of responsibility? The common practice of reflagging ships when it is convenient to do so is a big part of the problem, says Antonio Barredo, who runs DDR Vessels. 'Sixty-five EU-flagged vessels were dismantled last year, 27 of which had had their flag changed,' the entrepreneur estimates.

Thirty-four vessels went to Southeast Asia for shipbreaking and another 25 were handled in Turkey. Six ships were dismantled on EU territory and Barredo insists three were processed in non-listed yards. He says France was the only country to dismantle all of its ships in EU-listed yards. Of the 138 large EU-owned vessels not carrying a European flag, Barredo

says 103 went to Southeast Asia, 22 were handled in Turkey and approximately 10 in China. Fewer than five were processed at an officially approved EU site.

Barredo says he wasn't a fan of the Hong Kong Convention for ship recycling when it was first conceived. 'New legislation always creates chaos. Industry specific legislation has its benefits but I wondered why we didn't add to or update the legal framework we had. However, based on the success of dedicated e-scrap legislation, I do believe having dedicated ship recycling legislation will yield better results for us.'

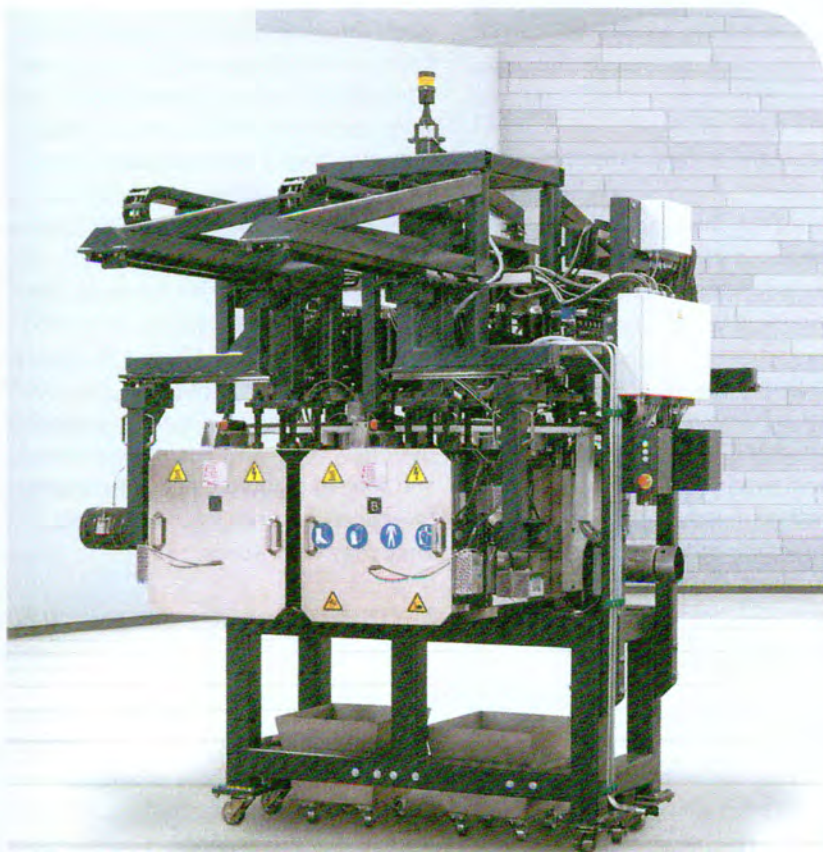
#### THE DOOR WILL RE-OPEN

In recent years, China has invested heavily in ship recycling, observes Tom Peter Blankestijn of Rotterdam-based recycler Sea 2 Cradle. The Dutch firm was founded in 2011 and has com-

pleted 169 recycling projects since then – including eight Maersk container ships last year. 'I know state-of-the-art facilities are popping up that can handle almost one million tonnes per year,' the entrepreneur says. 'We have done business with major Chinese recyclers capable of processing up to 60 vessels per year.'

Unfortunately, only two companies were allowed to import end-of-life ships into China in 2017, with a continued 'slowdown' in the ship recycling business in 2018. 'Scrapping of ships in China has drastically reduced,' Blankestijn laments. 'After applying some pressure, we were able to get one more ship into our contract for this year. One.'

But he adds: 'Does this mean the door is closed entirely to us? No, I don't believe so. China wants to challenge us. The door will not be closed for ship recyclers indefinitely.' He believes



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### THE HONG KONG CONVENTION: 10 YEARS LATER

Delegates gathered in Amsterdam for the Ship Recycling Conference celebrated the 10th anniversary of the Hong Kong Convention.

So far, six EU member states – including the Netherlands – have met the targets outlined in the ship recycling regulations. Norway is eager to live up to the requirements as well, according to Peter Koller of the European Commission's DG for Environment. Until the convention is enforced, however, he says it is important to remember all this work is being done on a 'purely voluntary basis'.

Around the world, 24 applications to have yards certified are pending. They include six sites in Turkey, 13 in India, four in China, and one in the USA. 'Approval is being given on a case-by-case basis. The first phase of the assessment has been completed for 21 yards,' Koller says. 'Six facilities have already been inspected – four in Turkey and two in India.' The on-site investigations include random spot checks as well as interviews with workers.

Koller says a marked increase in the number of ships sent for dismantling at EU-approved yards will attract other players in the market to follow suit. But he insists that industry stakeholders must remain wary of firms claiming to be compliant just to score points in the media. Although there are good ship recycling yards, many 'questionable' yards remain. 'Overall, Hong Kong compliant yards sounds like great progress but we have to ensure that it isn't just a blanket OK on certification.'

Ship recyclers hope that the industry will make a big leap forward in the next ten years, although industry stakeholders told Recycling International they prefer not to wait that long for 'real change' to manifest itself.

'People still opposed to the Hong Kong Convention need to wake up and realise it is coming,' says Blankestijn of Sea 2 Cradle. 'Rather than nit-picking about what has to improve, we need to act on our commitment. Changes can be built into the convention once it has entered into force.'

that rebuilding the relationship with Chinese players will be an exercise in patience. 'The door will be closed throughout 2019: perhaps we will have more luck next year. Whatever the future holds, we want to be the first Dutch company on the EU's list of approved ship recycling yards.'

### NO SLAP ON THE WRIST

BAN founder Jim Puckett applauds this ambitious attitude. 'If only all businesses felt this way. We have discussed our findings with powerful ship recycling companies. The truth is NGOs are constantly being ignored by shipbreaking yards – especially in South Asia. I have been frequently told to "shut up" when pointing out issues we need to fix.' Aggressive action to counter illegal ship recycling is sorely needed, says BELA's Hasan. 'We make it too easy for them. A fine of, say, 50 000 Euro is a joke. Paying such a small penalty is not dissuasive at all, it's a slap on the wrist. Let's start at a two or three million, then we may finally get through to them,' the attorney adds.

'Let's not forget we are talking about people who rely on false documents and forged signatures to get consent to export decommissioned vessels. They play with words, too.'

### SAYING NO

'For example, they won't declare the ship as having asbestos on board because, technically, it's built into the ship so it doesn't qualify as hazardous cargo.' Such a loophole allows them to get approval for something they did not deliver. 'It's time we say no to cash buyers and green-washing. Shipbreaking is not ship recycling,' Hasan insists. 'Let's stop them playing us for fools.' ■