

Tanker operators appear to ignore European regulation on ship recycling

Tue 12 Mar 2019 by Craig Jallal, tankers and markets editor



Dr Nikos Mikelis (GMS): Predicted there would be limited reaction from EU-based tanker owners to the European Regulation on Ship Recycling

Two months after the European regulation on ship recycling (EU SRR) was introduced, it is clear that, [as predicted by critics like Dr Nikos Mikelis of GMS](#), tanker operators are ignoring the regulation.

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The EU SRR requires that vessels will be recycled only in a yard that appears in the European list of approved yards, as published by the European Commission.

The aim is to force European owners to recycle ships in Europe and not export waste to other countries, but there are loopholes in that a non-EU flagged ship departing on a voyage to a recycling yard from a non-EU port, or where the decision to send the ship for recycling is taken when the ship is in international waters, is not going to be subject to EU SRR.

Tanker Shipping & Trade's analysis of the situation is that of the 10 tankers reported by VesselsValue as having been sold for scrap in the first two months of 2019, at least five were sold by owners that can be regarded as EU-based.

None of the tankers sold for scrapping appear to have directly breached the terms of EU SRR in that the sale included a voyage from an EU port but it is hard to argue that in most cases the tanker was not part of the EU owners fleet until shortly before the sale for scrapping.

This reaction was expected and noted during the [INTERTANKO Breakfast Briefing](#) at the Tanker Shipping & Trade Conference, Awards and Exhibition and indeed it would have been more of a surprise if there had been a tanker sold for recycling in line with the terms of EU SRR.

So far, it appears that only one vessel, *Star Gran*, an open hatch dry bulk carrier, has been sold in line with EU SRR for dismantling at the LEYAL Ship Recycling Group yard in Turkey.

Grieg Star chief executive Camilla Grieg said of the decision to recycle the vessel under EU SRR “*Star Gran* is 33-years-old, and it is time for her to have her last voyage. She has served us well, and it is wistfully we send her to the recycling yard. With Grieg Green’s expertise and the quality of LEYAL Ship Recycling Group, we feel confident in a transparent and high quality process.”

The reported *Star Gran* demolition price of US\$250/ldt is far below the US\$425/ldt that could have been realised through a sale to an Indian subcontinent scrapyards, indicating a sacrifice of US\$1.6M to adhere to green recycling principles.

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