



India on way to join Hong Kong Convention, official says

Indian ambassador affirms country's commitment to ship recycling treaty

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by Harry Papachristou

India, the world's biggest nation for vessel demolition, is heading towards joining the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, the country's ambassadress to Greece said in a conference today.

"India has taken a decision, in principle, to accede to the Hong Kong Convention," ambassadress Shamma Jain told about 150 ship recycling experts, shipowners and managers gathered in Athens by GSM, the world's biggest cash buyer.

"That reflects our intention to comply," she said.



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Jain offered no further details as to when ratification would take place, other than to say that a new ship recycling law has been drafted by the government and is currently in consultation.

India's accession is seen as key to eventually implement the international treaty, which was signed back in 2009 but has still not entered into force due to government foot-dragging.

Just 12 nations have so far contracted to the treaty. Turkey apart, no big ship recycling nation is among them.

Unless at least one other, such as India or Bangladesh does, the convention's ship scrapping capacity requirement is not going to be fulfilled.

The Hong Kong Convention will enter into force 24 months after a sufficient number of countries and other shipowning and ship scrapping capacity requirements have been met.

The number of countries signing up increased considerably in recent months. This is possibly due to pressure from the European Union, which has recently adopted the EU Ship Recycling Regulation (EUSSR), partly as a lever to force other governments to implement the Hong Kong Convention.

The Hong Kong Convention is "the most sensible" piece of the two, Anil Sharma, founder and chief executive of GSM, told TradeWinds on the sidelines of the conference.

"Our definite preference is to move everything towards the Hong Kong Convention, not the ESSR," he added.



But even moving towards the Hong Kong convention has to be gradual, according to Sharma, in order to build enough ship demolition capacity at the new standards, at demolition prices attractive to owners.

"We're trying to balance that," he said, when asked whether cash buyers shouldn't take more immediate measures, like simply not sending business to yards that do not comply with Hong Kong Convention standards.

"Our idea is to make the change from within," Sharma said.

In his view, this gradual policy is already showing results. Depending on the nationality of GSM clients, as many as 60% of GSM's scrap deals this year have been concluded with Hong Kong-compliant yards, he said.

"We've delivered about 125,000 ldt into India this week. Almost all of this is Hong Kong-compliant," Sharma added.

GSM says it has one of the fastest growing responsible ship recycling programs (RSRP) in the world, under which more than 80 vessels have been scrapped so far.

Deals have to be cleared by a new, internal compliance department before the company's S&P brokers can conclude it.



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GMS's first ship recycling conference in Greece today was a nod to the nation's role in shaping the contemporary demolition business.

Back in 1960, Greek-owned vessel M D Alpine was stranded on the shores of Sitakunda, Chittagong after a severe cyclone.

It remained there until 1965, when Chittagong Steel House bought it to scrap it, kickstarting the Bangladesh ship

demolition industry.

“We thought, if we are to do our first ever forum, let’s go to the country that got the ship recycling business started,” Sharma said.

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