

EU told to end protectionist stance and back Hong Kong Convention

Many European vessels have never traded in Europe during their working life, so it does not make any sense to use protectionist red tape to bring them to Europe for recycling at the end of their life

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Conference hears there is anger in the shipping community about the EU's ship recycling policies and that despite advances in Asian recycling industry, the facilities approved for Brussels' own recycling regulation remain overwhelmingly European



THERE IS NO SHORTAGE OF EVIDENCE OF THE INCREMENTAL IMPROVEMENTS THAT HAVE BEEN TAKING PLACE IN THE SHIP RECYCLING NATIONS OF ASIA, YET EU OFFICIALS SEEM TO BE DOING EVERYTHING THEY CAN TO BLOCK THAT ROUTE TO RECYCLING.

EUROPEAN regulators have been urged to help ensure the implementation of the Hong Kong Convention for safe, green ship recycling, rather than “undermining” it, as the industry faces a potential surge in scrapping demand due to the cost for older vessels of complying with new environmental regulations.

The International Maritime Organization convention has struggled to muster the signatures from shipowning and ship scrapping countries necessary for it to enter force.

So far, just 12 countries have signed up and more recently the European Commission introduced its own ship recycling regulation.

The EU regulation has been deemed broadly similar in its intent, but so far the list of approved yards has overwhelmingly featured European facilities.

“In the shipping industry, we really want a global instrument,” Gudrun Janssens, director of maritime safety and environment for the European Community Shipowners’ Associations, told a ship recycling conference in Greece.

“The one that is out there is the Hong Kong Convention,” she said, adding that the EU regulation “should facilitate” its adoption.

Ms Janssens said that Brussels had congratulated itself on imposing “a nice, strict regulation” on shipowners but the Eurocentric approach was impractical.

Many European vessels had never traded in Europe during their working life, “so it does not make any sense to bring them to Europe for recycling,” she said. The aim should be “to ensure global safe and sound ship recycling.”

A number of speakers at the GMS Ship Recycling Forum in Athens hailed recent steps forward made in health, safety and environmental practices in the recycling industry in Asia, where the vast bulk of the world fleet goes for demolition.

“Even without the Hong Kong Convention entering into force, there are lots of positive developments,” said Ms Janssens. At Alang in India there had been “amazing progress” just in the last two years.

The forum heard that 77 recycling yards in India, equating to 59% of the country’s total, are now working in line with the requirements of the IMO convention.

But the first two Indian yards to be assessed under the EU regulation have failed to win approval. When the list of recycling facilities was updated last month, yards in Denmark Norway and Turkey were added to bring the list to 30 EU yards, three in Turkey and one in the US.

Last year, the entire EU recycling sector scrapped a total of 82,000 gt, equivalent to two panamax vessels, said Nikos Mikelis, former head of the IMO’s marine pollution prevention and ship recycling section, now an advisor and non-executive director for GMS, the world’s largest cash buyer of ships for demolition.

“The tragedy is that while all this progress is taking place some bureaucratic entity is saying ‘no’,” said Mr Mikelis.

He also questioned why the shipping industry is “not going out and taking this in hand and [telling] the EC that this is not the way forward.”

Aggressive EC officials

According to Petros Varelidis, an advisor to Greece’s ministry of Environment and Energy, EC officials were prone to taking an aggressive stance on the matter of ship recycling although an earlier draft of the EU regulation that provided for sanctions was toned down.

They behave “as if we don’t have the existing ship recycling regulation but as if their original proposal was in force — with penalties for shipowners,” he said.

Mr Varelidis emphasised that there were “no legal grounds to impose any penalties” on shipowners reflagging their ship for a final voyage to a recycling yard in Asia.

The stigma of recycling in Asia was now such that demolition-bound vessels had to be diverted from certain countries, including “European destinations”, to avoid “various situations” including unjustified arrests, claimed Reuben Segal, the founder and chief operating officer of AqualisBraemar, which handles a large number of surveys for demolition voyages.

“The whole industry is being penalised for doing what I think is a right action. Unfortunately people see it as a bad thing,” he said.

In the offshore sector, “key players are scared to get involved so rather than doing anything significant to help the oil and gas industry they let rigs rot”, with the result that the Gulf of Mexico and West Africa were becoming “a graveyard for assets”, Mr Segal said.

Panos Zachariadis, technical director of Atlantic Bulk Carriers and a member of the Greek delegation to the IMO since 2004, told the forum that there was anger in the shipping community about the EU’s ship recycling policies, coming on top of “a tsunami” of environmental regulations for the industry.

“As operators we are going to end up having to comply with two different regulations, the same thing that happened with the Monitoring, Reporting and Verification system,” he said.

“My concern is that we are undermining the Hong Kong Convention.”

There was, however, also good news for implementation of the Hong Kong Convention.

India has taken an “in principle” decision to accede,” the country’s ambassador to Greece, Shamma Jain, told the GSM conference.

India has more capacity than any other nation for ship recycling, although so far this year it has been outdone by Bangladesh.

Meanwhile, Mr Varelidis told the audience that Greece’s environmental ministry was also minded to “proceed with ratifying the Hong Kong Convention”.