

Viewpoint: Recycling war of words

The EU Recycling Regulation, which will require ships flagged with an EU member state to be scrapped at one of its approved facilities, will enter into force in just five months. But are its aims realistic?

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by Michael Grey |

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THERE IS SUBSTANTIAL PROGRESS BEING MADE TO UPGRADE FACILITIES ON THE INDIAN SUBCONTINENT, MAKING THEM SAFER AND MORE ENVIRONMENTALLY COMPLIANT.

JUST another five months and the EU Recycling Regulation, which will require ships flying the flag of an EU member state to use one of its approved facilities for this end-of-life function, will enter into force.

Of the 21 yards that have been approved so far, all barring a couple in Turkey and one in the US, are in Europe. None are to be found in the three countries where the lion's share of shipbreaking currently takes place — India, Pakistan and Bangladesh.

As far as the EU is concerned, regardless of whether there are yards which comply with the provisions of the Hong Kong Convention, the rest of the world does not exist.

The primary reasons for this are several.

Firstly there is the delusional view that the EU member states ought to be able to handle the recycling of their own fleets, regardless of the fact that large scale recycling passed to the yards of the Indian subcontinent 50 years ago.

There is also the pathological objection to beaching, which activists have said cannot be made safe for the environment. There is also a disturbing willingness to listen to the persistent and loud voice of the lobby group NGO Shipbreaking Platform, which has been effective in convincing Brussels politicians that it is on the side of the angels in this argument, while shipping industry interests must be discounted.

This single-issue lobby, which has called for beaching to be unequivocally banned, is oblivious to the employment prospects of the tens of thousands who work in the recycling yards and has convinced the European Commission that setting up scrapyards in Europe is a practical proposition.

European shipowners point out that the yards of Europe have the capacity to handle around 300,000 light displacement tonnes, far short of the 2.5m ldt which the regulation needs to enter into force.

The Platform, which describes the shipowners as “scaremongering” and purveyors of “fake news”, states that there is three times as much capacity as the owners claim, with 10 yards capable of taking big ships.

What the EU seems to ignore is the work that is being done in the principal recycling yards to comply with the requirements of the Hong Kong Convention (which does not prohibit beaching).

There is substantial progress being made to upgrade facilities, making them safer and more environmentally compliant. Realism would also mark the relative insignificance of European shipping when compared with the rest of the world, which will ignore the EU strictures and use the facilities it has employed in recent years.

It is also worth pointing out that European yards, which, despite the Platform’s protestations, are employed mostly in the scrapping of small craft, would be unlikely to establish the considerable industry that exists in the Indian subcontinent for the “re-purposing” of the components from dismantled ships.

Would the European steel industry suddenly prove willing to take scrap ship steel? Would there be a capability for re-rolling, for the large-scale production of construction re-bars, and the re-use of the miles of pipework gleaned from the recycling yards? In the yards of India, Pakistan and Bangladesh, there is hardly an item that is not genuinely recycled. Where on earth will Europe accommodate all the product from dismantled ships?

Or will the hundreds of old lifeboats, thousands of tonnes of chopped steel, porthole glass and ships’ furniture all have to be shipped to some part of the world where it might be re-used, because nobody will want it here, at a price that would be economic?

The really sad thing is the way in which the efforts of the shipping industry to work with the recycling yards to improve their safety and environmental performance to HKC standards is being brushed aside by those with a political agenda.

Not for the first time, it is easy to conclude that Brussels does not really want a European shipping industry, while encouraging the expansion of its own scrapyards facilities, which would be unlikely ever to compete commercially with the yards of Asia and would be doomed from the outset.

They also don’t seem to relate the ambitions of well-run European registers to the reality that they are unlikely to attract tonnage from outside Europe, with the prescriptions and limitations of the EU recycling regulation a powerful disincentive.

And while his name is like a red rag to a bull in the conversational circles of the Platform, anyone wishing to be better informed ought to read a small book written by one of the principal architects of the Hong Kong Convention Dr Nikos Mikelis.

Readers need to forget that he now serves as a consultant to a major cash buyer of ships for recycling — this is an objective, convincing and readable treatise on this important industry, which also demonstrates the real progress that is being made in the yards which matter. Read it on www.gmsinc.net/gms_new/assets/ads/folder.pdf.

Get away from the shouting and bad temper, the “fake news”, “no-platforming” and the rebuttals. Stick to the reality and the facts and you won't go far wrong.

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