



Press Release

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JAPAN PUTS ITS SUPPORT BEHIND BEACHING YARDS IN INDIA

Ship recycling yards in India, Pakistan and Bangladesh need to be part of the global scheme of sound ship recycling and those yards in Alang which have invested in fully upgrading their facilities to meet the terms of internationally-agreed rules should be rewarded by winning more business.

This was the view expressed by Akihiro Tamura, Director of Shipbuilding Policy at the Japan External Trade Organisation (Jetro), shortly after returning from a fact finding trip to Indian recycling yards in Alang.

The four-day visit, arranged in association with cash buyer Global Marketing Systems (GMS), was attended by a 14 strong Japanese industry and government delegation, which included officials from the Ministry of Land, Infrastructure, Transport and Tourism; the Japanese Shipowners Association; Jetro; shipping companies K-Line and JX Ocean; ClassNK; Japanese Labour Union; Japan Marine Science; as well as GMS.

The delegation visited Alang with the intention of assessing the quality of beach recycling yards in the region.

Welcoming the comments from the visit, Nikos Mikelis, Non-executive Director of GMS, said it was up to the shipping industry and the regulators to see the improvement in conditions themselves. "We have already invited legislators from the European Commission, maritime administrations, IMO, as well as global ship owner representatives to visit the area and the invitation is still open.

"Separately, the International Maritime Organization (IMO) should be invited to hold a workshop/seminar in India to not only raise awareness of the improvements which have been made there but to inform and educate other yards as to what is needed to conform to the terms of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships," he said.

Amit Malhotra, trader and GMS representative in Japan, said the Japanese delegation was pleased with the changing attitude of the SRIA (Ship Recycling Industries Association) towards trying to understand and comply with the Hong Kong Convention. He said: "If

yards in India comply with the terms of the Hong Kong Convention and the government of India ratifies it, then Japanese owners will have no concerns sending their vessels to India.”

A strong theme running through the visit of the Japanese delegation was to encourage India to meet the standards of the Hong Kong Convention – something Mr Tamura said the four top level yards in the region, Leela Ship Recycling, Priya Blue Industries, Kalthia Shipbreaking and Shree Ram Vessel Scrapping, seem to be very close to achieving already.

These yards have improved their working procedures and have upgraded their facilities to include concrete floors with drainage, bilge water pumps, protective clothing, hazardous-waste disposal facilities as well as segregated work areas among other things.

He said: “Our visit was very fruitful in being able to see the actual situation on the ground and the many improvements made in Alang. I am also impressed that they are very open to visitors and we even visited some yards without any prior notification which is important. And the workers were all wearing helmets and working clothes as well as protective shoes.”

Japan is so supportive of the Indian ship recycling sector that Japan is moving towards providing Official Development Assistance to upgrade facilities and improve operations in the region.

Nothing has been officially decided yet but the next step will be to carry out surveys of the yards to determine what support will be actually needed and to draw up an agreement between both countries, Mr Tamura stressed.

“Of course we would like to support larger numbers of yards in the region, but naturally there is some constraint regarding budget and time. However, our ultimate wish and purpose in providing assistance to India is to encourage the Indian government to move towards accession to the Hong Kong Convention.

“The Indian recycling industry plays a vital role in international ship recycling and in order to ensure a sound and safe ship recycling industry, those beaching recycling facilities in India, Pakistan and Bangladesh should be included into the global scheme of sound ship recycling. We want the Indian recycling yards and we want the Indian government to join the global recycling framework, or Hong Kong Convention.”

Mr Tamura said he hoped India would continue to be open to the outside world when it came to recycling, and he wanted to send a more positive message to the outside world to invite “a lot of people to come in and see their yards. I think this is important as is a more intense monitoring of the environment in the area which would help to give a better understanding to the outside world of what is being achieved by the yards”, he said.

He added: “We have a strategy that includes the Japanese government supporting Indian yards to upgrade and also for ClassNK to support these yards through consultancy services and ultimately certification. Japanese ship owners will be willing to send their ships to “safe and environmentally sound” ship recycling yards in India and other countries and the entry into force of the Hong Kong Convention is a very important step to realising this goal. Our

ultimate purpose is to help all concerned to move towards accession to the Hong Kong Convention and all our efforts will be focused in this direction," he said.

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Notes to Editors

- Over the years GMS has succeeded in helping to modernize the ship recycling industry and, through its efforts, has done much to strengthen the credibility and transparency of the global ship recycling sector.
- GMS is the world's FIRST ISO 9001 certified Cash Buyer with a proven track record spanning over two decades. And with more than 2,500 deals under its belt, it has grown to become the leader of the ship recycling industry.
- Many of the world's largest ship owners sell their vessels exclusively to GMS. In 2012 alone the company recycled over 16.5 million DWT (ie roughly 300 ships) or nearly one third of the world's fleet sold for recycling
- GMS has invested considerable resources into green recycling and continues to support ship recycling yards around the world in both an advisory and financial capacity. Recently, with technical assistance of GMS, four ship recycling yards in Bangladesh were able to obtain Certification for ISO 9001, 14001, 18001 and 30,000.
- GMS is also the FIRST and ONLY Cash Buyer to develop a Green Ship Recycling Program (GSRP) together with Germanischer Lloyd (GL) to meet the highest standards of Corporate Social Responsibility (CSR) in the ship recycling industry. GMS continues to lead the ship recycling industry with innovative and practical solutions. Over the years, it has become the acknowledged 'voice' of the recycling industry in international fora.
- GMS has offices in the USA, Germany, Dubai, China, Singapore, and Japan as well as exclusive representatives in all five of the major recycling markets including India, Pakistan, Bangladesh, China and Turkey