

India to double ship recycling capacity by 2024

New Delhi will increase volume from 4.5m light displacement tonnes and aims to attract more vessels from Europe and Japan

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INDIAN BUDGET IS FAVOURABLE FOR SHIP-BREAKING AT ALANG AND IS EXPECTED TO GENERATE ADDITIONAL EMPLOYMENT IN THE SECTOR.

NEW Delhi has put forward plans to double ship recycling capacity by 2024 and attract more vessels from Europe and Japan.

Union finance minister Nirmala Sitharaman made the announcements during the latest budget and said that the doubling of recycling capacity from the present 4.5m light displacement tonnage is expected to generate additional employment in the sector.

Scrap markets have seen a lull with muted demand and extremely volatile steel prices, leaving Alang buyers in a perpetual state of dissatisfaction and confusion as new sellers awaited the outcome of the Indian budget. The budget decision is favourable for several industries in the state, including the ship-breaking segment located at Alang in Bhavnagar district, said the Gujarat Chamber of Commerce and Industry.

"The Union Budget proposed policies on automobile scrapping and ship-breaking. Since Alang has complied with the Hong Kong convention, local ship-breakers would now get more ships from Japan and Europe," it said. Although, the intention to bring more end-of-life ships from Europe and Japan for recycling in India is laudable, lead co-ordinator for GMS's sustainable ship and offshore recycling programme Anand M. Hiremath said additional steps are required to achieve this target.

"The first step should be to have a bilateral meeting with the European Commission to include Indian ship recycling yards in the EU-list of approved yards by solving downstream management of wastes, advance medical facilities issues, and more importantly, Basel Ban Amendment concerns (which bans the export of end-of-life ships for recycling from Organisation for Economic Co-operation and Development to non-OECD countries)," he said.

Dr Hiremath said India must convert its vision into actions by implementing a series of tasks in a time-bound manner.

"The government should now focus on the downstream management of hazardous waste generated during the recycling process, as per the standards equivalent to the European Waste Shipment Regulation, to bring Europe-flagged ships to Indian ship recycling facilities."

As of now, most of the Japanese shipowners are sending their end-of-life tonnage to Indian ship recycling yards, which are approved by the Japanese Classification Society including ClassNK.

India has enacted Recycling of Ships Act, 2019 and acceded to the Hong Kong International Convention.

According to Mrs Sitharaman around 90 ship recycling yards at Alang in Gujarat have already achieved HKC-compliant certificates.

Ports, shipping and waterways minister Mansukh Mandaviya has recently said that India aspires to obtain at least 50% of the global ship recycling business. The country's share in the ship recycling business is around 30% at present.

India recycles 7m gross tonnage of ships per annum, while that of Bangladesh is 6.8m gross tonnage. Pakistan recycles 3.7m gross tonnage of ships and that of China is 3.4m gross tonnage per year.

"These four countries account for 90% of the ships recycled globally. Post enactment of the recycle act, India eyes 50% of the global share as many countries will be sending ships here after India ratified the global convention," said the minister.