Ship recycling looks to clean up its reputation

- Wednesday 30 June 2010, 18:13
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Industry hopes IMO convention will help improve standards

The shipbreaking sector has a reputation as a dirty, inhumane business, that wreaks havoc on the environment, while polluting the world’s beaches.

So it is refreshing to see this industry is trying to work together to improve standards that will hopefully clean up its reputation.

The overall mood at the 5th Annual Ship Recycling conference in London last week was positive, particularly compared with 12 months ago when the International Maritime Organization’s Hong Kong International Convention on the Safe and Environmentally Sound Recycling of Ships 2009 had been adopted.

Many players within this niche sector believe the industry cannot carry on as it is, without a firm grip on regulation and operating under varying environmental and safety standards.

Despite some recycling yards and owners working to green standards, many ships still slip through the net of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, which is already in place.

“It is very hard to enforce Basel in many cases and we have to be realistic about this issue,” said Susan Wingfield, programme officer for the Basel Convention at the United Nations, “Normal shipment of hazardous waste is easier to define. There is a clear country of export and country of import. With ship recycling it is hard to determine and monitor the export state, flag or owner.”

The Basel Convention does not define whether the “state of export” is the last shipowning country, the last discharge port, or another entity. This makes it possible to circumvent the Basel Convention, she said.

Ms Wingfield’s team has been tasked with carrying out a preliminary assessment comparing the Basel and Hong Kong conventions, in an attempt to ensure there will be no duplication between the two when the new convention comes into force.

In the meantime, the International Chamber of Shipping is encouraging owners to start practising ship recycling to IMO guidelines.

“What Europe really needs is to encourage the ratification by member states as soon as humanly possible,” said ICS marine adviser John Stawpert, “But there are transitional measures in place so that owners can implement best practice in the interim period.”

Owners can “try before they buy” prior to the Hong Kong Convention coming into force, he said, so the industry can come to understand how the convention would work before it is ratified.

A large number of owners are already producing and using inventories of hazardous waste, which is one of the main regulatory measures introduced by the Hong Kong Convention.

“We hope this will proliferate as it is a keystone that the whole system is built on,” Mr Stawpert said. However, some owners are less keen on the rising volume of paperwork and regulation required to conform to the new rules.

“Lots of owners see recycling as more regulation being imposed on their business, and a painful process they are being pulled into,” said Clarkson’s divisional director sales and purchase Anthony Hoole.

Cash buyers will be hardest hit by paperwork, as the Hong Kong Convention now classifies them as a shipowner, regardless of whether they own the vessel for just a few hours or a number of weeks.

While the world’s largest cash buyer, GMS, will see its workload increased once the convention is ratified, president Anil Sharma believes the new convention is positive for the recycling industry.

“I am very supportive of the Hong Kong Convention. It is a very logical convention, it is not rocket science — most yards would and should be able to [comply] if they want to be in the ship recycling industry,” Dr Sharma said.

With broad backing from the man who controls a third of all ships sold for demolition, it is likely the Hong Kong Convention will find support from the 15 member states needed to bring it into force.

Article from Lloyd’s List

http://www.lloydslist.com/lls/sectors/regulation/article172493.cce

Published: Wednesday 30 June 2010

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