Bangladesh breakers raise hopes

Permits to restart demolition operations have begun to flow but the exact timetable for kick-off remains vague.

Hopes have been raised that shipbreaking in Bangladesh may soon resume after six months of yard isolation.

Environmentalists succeeded in bringing the purchase of vessels to a halt in May, a legal battle that has been mired in controversy.

Now, licences have been issued by the environment ministry to some of the breakers trading on the mudflats of Chittagong to restart operations — but when that actually happens is still guesswork.

The licences still need to be rubber-stamped by the High Court and are laced with up to 60 requirements, which some say will be impossible to comply with.

The main adversaries in the great Bangladesh breaking battle, which has sucked in the High Court and various government departments, are the Bangladesh Environmental Lawyers Association (Bela) and the Bangladesh Ship Breakers Association (BSBA).

At stake is the livelihood and safety of thousands of impoverished and often poorly educated workers.

According to Captain M Anam Chowdhury, chairman of Miti Enterprise and advisor to the BSBA, the shipbeakers employ as many as 150,000 people. Bangladesh has more than one-quarter of the global ship-recycling capacity.

At least that was before it was ruled that shipbreaking had to fall into line with the Basel Convention on the transboundary movement of waste between rich and poor countries.

Before the stand-off began, there were over 130 ships on the beaches and another 40 or 50 destined for Bangladesh, many of which have since been diverted to India or Pakistan. Employment is now down to between 30,000 and 40,000 and falling as yards exhaust their supply of vessels and close, says Chowdhury.

The recently reported sale of the 17,400-dwt bulker Butet (built 1978) was the first to Bangladesh for several months but sceptics want to see a resumption of beaching before they declare the industry open for business again.

Chowdhury says now would be the time that recyclers ramped up their activities following a quiet period in the local steel market during the monsoon season, which stretches from May to September.

He claims that directly and indirectly shipbreaking in Bangladesh provides jobs for between 2.8 million and three million people and the country cannot afford to lose the industry.

Last year, it imported more than 170 vessels for recycling and is said to be worth annually around $700m. Others put it at closer to $1bn.

Victims of the hiatus include Bangladeshi steel mills, which are highly dependent on plates from Chittagong.

But that is only half the story. Bangladesh has a terrible safety record — deaths and injuries are commonplace and would not be tolerated in Europe, from where many of the ships, particularly tankers, are sourced.

Spearheading Bela is lawyer Rizwana Hasan, who describes earlier successes of the environmental association as a “victory for humanity over raw money and muscle power”.

Bangladesh signed the Basel Convention in 1989 and it was on the basis of this that the High Court, following Bela’s legal challenge, declared shipbreaking operations in the country to be illegal and required imported ships to be pre-cleaned of toxic materials.
Chowdhury claims, however, that the odds have been stacked against the recyclers, including a High Court judge having a history of sympathising with non-governmental organisations (NGOs) supporting Bela.

Secondly, he says, while yards must have environmental clearance certificates it has never been fully explained what was required of the recyclers to qualify.

Chowdhury claims yards actually began applying for the relevant certificates as long ago as 1999 but none were issued by the Department of Environment.

He also alleges that the department has now done a “cut and paste” job using Bela-sourced wording in framing national regulations.

Chowdhury says the new rules are unworkable, citing as an example the need for the Department of Environment to be notified 60 days prior to a ship being purchased.

Convening a meeting of a national council and delivering its report stretches the period to over 100 days, claims Chowdhury, who argues that behind everything is Bela’s determination to shut down the industry.

This is denied by Rizwana, who in interviews has acknowledged ship scrapping’s importance to the country in providing employment.

But it did not stop her adding during an interview with CNN: “We have been able to give a bad name to the industry and the industry deserves a bad name.”

Anil Sharma, the boss of cash buyer Global Marketing Systems (GMS), tells TradeWinds that he is puzzled by the logic of what has happened in the Bangladesh courts, in particular their application of the Basel Convention instead of the new Hong Kong Convention, which is designed specifically with ships in mind.

Cases like the Sandrien, Otopan and Margaret Hill have shown how difficult it is to control the disposal of end-of-life ships under Basel, whereas the Hong Kong Convention lays down requirements for vessels in service, including the mandatory use of recycling facilities of party states.

Those states in turn must be capable of handling the types and quantities of hazardous materials contained in imported ships, says the convention.

That convention is still a long way from being ratified and has certainly not been tested. But it does mean that countries such as Bangladesh would, in theory, be allowed to continue cleaning vessels of asbestos and other hazardous material prior to torching instead of them being stripped prior to arrival, something many argue is totally unworkable anyway.

Sharma, whose GMS has teamed up with classification society Germanischer Lloyd to oversee “green” recycling operations, says India and China have already proved it can be done and there is no reason why Bangladesh should not follow, possibly with the assistance of independent agencies.

As far as the legal wrangling is concerned, Sharma also casts doubt on how “objective” the Bangladesh High Court had been given a recent instance of one judge overruling another.

“If the tit-for-tat continues, it may delay the re-opening of the yards,” commented Sharma on a recent visit to London.

In response to criticism that GMS is seeking to promote a green image while still despatching vessels for breaking in Bangladesh, Sharma says he has sent an agency from India to work with six Bangladeshi yards to help them achieve ISO certification and develop worker training programmes.

But, says Sharma, it is still tough persuading even large owners to have ships recycled in compliance with the Hong Kong Convention if it means accepting less for a vessel. Owners still press for the last dollar.

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Published: 23:01 GMT, 04 Nov 10 | updated: 20:58 GMT, 03 Nov 10