

## Eight Yards Added to E.U. Ship Recycling List



file photo of PHP yard in Bangladesh

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The European Union published the fifth version of the European List of ship recycling facilities on June 18, adding eight yards: two yards in Denmark, five in Norway and one in Turkey.

European shipowners own 35 percent of the world fleet. A large percentage of these vessels are being dismantled on beaches in South Asia, under conditions which the European Union says are often harmful to workers' health and the environment. From December 31, 2018, the E.U. Ship Recycling Regulation required all large sea-going vessels sailing under an E.U. Member State flag to use an approved ship recycling facility included in the European List.

With the new update, the European List of ship recycling facilities contains 34 yards, representing a total available annual recycling capacity of nearly 2.4Mi Light Displacement Tonnes (LDT), states the European Commission. Several yards on the European List are able to recycle large vessels, and the European Commission is currently assessing another 28 yards located outside the E.U.

The Ship Recycling Regulation brings forward the requirements of the 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships and also includes additional safety and environmental requirements. It sets higher standards than the IMO's Hong Kong Convention – the beaching method is not allowed and requirements related to downstream toxic waste management as well as labor rights are included. Recycling facilities are subject to a higher level of scrutiny: there is independent third party certification and auditing, and NGOs are allowed to submit complaints should they have concerns that a listed facility is not operating in line with the Regulation.

E.U. Commissioner for Environment, Maritime Affairs and Fisheries Karmenu Vella said: "The E.U. is committed to reducing the impact of E.U. shipping industry on the environment, including through better protection of environment and workers in ship recycling. The updated List will increase the recycling capacity of the European List and give European shipowners a wider range of recycling options."

### **Capacity is Inadequate**

The fifth issue of the List of approved recycling yards now contains 30 yards in Europe, three in Turkey and one in the U.S., notes Dr. Nikos Mikelis, non-executive director of cash buyer GMS, questioning the idea that shipowners will have a wider range of practical options. The total recycling capacity as defined in Hong Kong Convention as well as in the European Regulation, is 795,952 LDT. Of this, 478,256 LDT is the self-declared capacity of European yards (including 94,090 LDT of the four yards in the U.K.); 197,696 LDT is the capacity of the three approved Turkish yards; and 120,000 LDT is the capacity claimed by the U.S. yard.

Mikelis therefore challenges the European Commission's claim of nearly 2.4Mi LDT capacity. "This figure of 2.4 million LDT is contradicted even by the data provided in the fifth list, which as mentioned above amounts to 795,952 LDT, even when allowing the self-declared capacities of the E.U. based yards. If looking at the bigger picture, this claim also needs to be contrasted with the independent data published annually by IHS Global Limited (World Casualty Statistics, 2018), and also used by the IMO, which show that in the whole of 2018 the recycling yards of the whole of the E.U. together with Norway recycled the total of 82,067 gross tons, which is 0.57 percent of the tonnage recycled internationally and which approximately is around 25,000 LDT, or the equivalent of a mere two and a half Panamaxes!

"Looking practically at the options offered by the European Commission to owners of E.U. flagged end-of-life ocean going ships, we should probably discount the European yards whose main markets are small ships trading domestically; inland waterways vessels; the odd damaged ocean going ship; and the occasional offshore installation. Furthermore, it is most improbable that the U.S. yard will attract any E.U. flagged ships because of the regulatory barrier posed by U.S.'s TOSCA regulation; because of location; and most probably because of the prices paid by U.S. recyclers. This leaves the three Turkish yards which no doubt must feel that they are in a strong position to dictate prices for E.U. flagged ships wishing to be compliant.

"Five months and 20 days after the coming into effect of the European Regulations, I am only aware of one ocean going ship that has gone for recycling to an EU approved Turkish yard in line with the requirements of EU SRR, while a second one (a ferry) is currently under negotiation. I cannot avoid wondering whether things would have been different if ship recycling had been the responsibility of the Commission's Directorate General Mobility and Transport, rather than DG Environment."

Source: <https://maritime-executive.com/article/eight-yards-added-to-e-u-ship-recycling-list>