

Ship Breaking: Towards Greener Recycling

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Ship recycling is an essential aspect of the shipping. It is that area of shipping business which is basically related to the dismantlement of any retired ship. This process includes not only the breaking of the ships but also the disposal of the dismantled parts and the materials of the ship. The disposal has a great potential of business in the form of reselling of the materials and parts. There are numerous benefits from this process. When recycling a ship every part of its hull, machinery, equipment, fittings and even furniture is re-used.

The dismantling is having two fold benefits through business; firstly in the form of reselling the parts or materials and secondly in the form of charges for dismantling services. This is a flourishing business especially in developing countries. This is an essentiality because ship is a huge responsibility which carries enormous amount of financial burden in terms of maintenance, security, parking charges, fuel charges, and employees' wages etc.

Initially the ships were made out of wood. The method of sinking or burning of the ships went away when the metaled structures took place instead of wooden hulls. This development has brought new dimensions to the ship disposal mechanism.

It is relating to the market economics as well. If the Freight rate is increasing then the dismantling will be lower. World economics is a decisive player in this business. Rate of freight and the material prices involves economical complexities of the market which directly affects this industry.

This job is involving heavy risks as it may be hazardous to the environment and the workers associated with the work. Substances like heavy metal, Lead, Asbestos etc. are quite severe for living organisms and environmental health. That is why the conventions, in this regard, took place. Most prominent and recent one is the Basel Convention 2004, which declares the dead ships as the toxic waste.

A short time ago, the Hong Kong Convention 2009 (HKC) was introduced. HKC is a step ahead of other set ups in protecting the environment with quite stringent regulations. The Hong Cong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (The

Hong Kong Convention) introduced because of the weaknesses of the Basel Convention mainly in the form of the ignorance of the governance of the shipping at International level.

This also relates to some international legal practices. For example; it has been observed that the ships which are near dying state are cheaper for hiring for the merchants or shippers. Middlemen are working excessively for earning the business for such ships in cheap rates with the misuse of Flag of Convenience option. Question remains how to protect the shipping from such evils and how long HKC may have it's impact on that.

The Hong Kong Convention 2009 will become enforceable when 15 states will ratify it and 24 months of this ratification have completed. These 15 states should have the representation of the 40 percent of the world merchant shipping by Gross Tonnage. Only six states have acceded so far, including Norway, France, Denmark, Belgium, Panama and Congo.¹ Gross Tonnage is the total capacity of the ship or vessel in tons.²

The Government of India has prepared a draft as 'Safe and Environmentally Sound recycling of Ships Bill, 2017' in the month of December last year. Shipping Minister Mr. Nitin Gadkari told delegates at the 30th Assembly Session of the IMO in London

... "[T]o make the ship recycling industry safe for its workers and the environment, draft legislation to implement the Hong Kong Convention (HKC) is now undergoing pre-legislative consultations; I am confident that we will ratify this convention in the not-too-distant future."³

HKC may lead to impact China's already declining share in the world market from 31% to 12% from 2009 to 2016 quite adversely. India amongst top five business sharers in ship recycling and scrap management, is quite quickly adapting with the HKC mandates. Alang, at Gujarat, one of the biggest shipbreaking yard in the world is an example of India's will to acquire environment friendly capacities with the better safety standards and raising the bar for others.

¹ See: <https://worldmaritimeneews.com/archives/238085/india-to-ratify-hong-kong-ship-recycling-convention/> (Last accessed on 30 July 2018.)

² See: <https://www.globalnegotiator.com/international-trade/dictionary/gross-tonnage/> (Last accessed on 30 July 2018.)

³ See: <https://www.thehindubusinessline.com/economy/logistics/india-pledges-to-ratify-imos-convention-on-recycling-of-ships/article9976847.ece> (Last accessed on 30 July 2018.)

In the meantime, by the end of 2017 half of all recycling yards in Alang have invested in infrastructural and procedural improvements and have obtained a “Hong-Kong Convention Statement of Compliance” from International Association of Classification Societies (IACS). These initiatives by the government and by the industry manifest the transformation that has taken place over the last four to five years in India. ⁴

Gujarat Maritime Board is essentially working in this regard especially with developed legal framework. GMB (Prevention of Fire and Accidents for Safety of Workers and Protection of Environment During Ship breaking Activities) Regulations, 2003, The GMB (Conditions and Procedures for Granting Permissions for Utilizing Ship recycling Plots) Regulation, 2006 have included the provisions which are also incorporated in the Hong Kong Convention. There is much scope for development in this field specifically in terms of achieving the sustainability. The issues relating to the equipment costs, technological advancement costs, responsibilities of the ship owners and the other stakeholders involved in the ship breaking and recycling business in terms of money and administrative set up requirements need to be resolved at the earliest.

Ship recycling has seen the voyage witnessing the *HMS Temeraire* to Denny Brothers, Experiencing World Wars, *Thos W. Ward Ltd*, *M D Alpine*, Wooden to Metal hull, Basel to HKC. This journey is moving towards the greener recycling which needs sincere efforts and determination; determination for better word, determination for sustainable development!

⁴ See: <https://www.maritime-executive.com/editorials/what-will-2018-bring-to-the-ship-recycling-industry#gs.meTn4Ew> (Last accessed on 31 July 2018.)