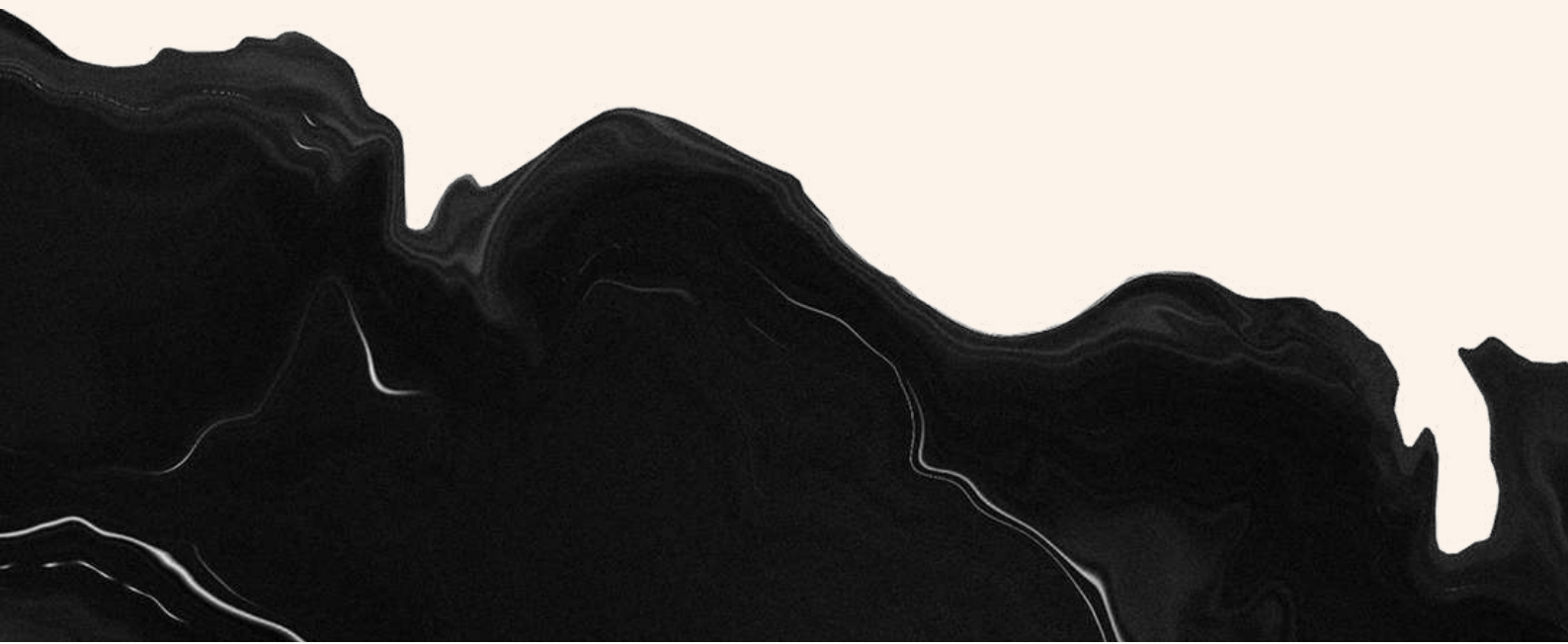


SOUTH ASIA QUARTERLY UPDATE

#32



VISION & MISSION

Vessels are recycled in facilities that ensure clean, safe, and just practices that provide workers with decent jobs. Vessels will be toxic-free and no longer cause harm to workers, local communities, or the environment at end-of-life.

To act as a catalyst for change by effectively advocating for clean, safe, and just ship recycling globally. This necessitates denouncing dirty and dangerous practices, such as the dumping of end-of-life vessels on the beaches of developing countries. Our commitment to finding sustainable global solutions is based on the respect of human and workers' rights and the principles of environmental justice, producer responsibility, 'polluter pays', and clean production.

JANUARY 2023
SAQU #32

In this quarterly publication, we inform about the shipbreaking practices in South Asia, providing an overview of accidents that took place on the beaches of Bangladesh, India and Pakistan, relevant press media as well as research. We aim to raise public awareness about the many negative impacts of shipbreaking in South Asia as well as developments aimed at the protection of workers' rights and the environment.



8

*workers suffered an accident
on South Asian
shipbreaking beaches*

03

ACCIDENTS

BANGLADESH

On October 16, Md. Rubel (35) injured his head due to a fire extinguisher blast at M.A. Shipbreaking while dismantling the AFRAMAX RIVER (IMO 9259173), owned by Greek-company Hellenic Tankers. The worker was transported by locals to Chattogram Medical College Hospital, where he entered the intensive care unit. On December 18, operations on the same vessel caused burn injuries to the face and chest of Hannan (35), while the worker was cutting an oil pipe.

On October 22, Md. Mannan (27) and Md. Rasal (35) suffered burn injuries when a cutting torch blasted at H.M. shipbreaking yard during the dismantling of the vessel URANUS (IMO 9248485).

On October 27, Soyedur Rahman (50) suddenly felt sick while cleaning an iron sheet and later died at the hospital. The worker was involved in the breaking of the NEW SMILE (IMO 9114842), owned by Taiwanese company Zheng Yu, at K.R. Steel yard.

On November 4, Md.Jomsedi (22) got his fingers broken by a falling iron plate during an illegal night shift at a Kabir Group's yard in Shitalpur while dismantling the vessel EM LONGEVITY (IMO 9212864).

On November 12, Nazim (32) got hit on his head and backbone by a falling steel plate on the vessel MINISTAR (IMO 6806779) at A.M.N. Steel.

On December 6, Md Joshim (28) got injured by an iron plate while working on the vessel SHINY (IMO 9227003) at SN Corporation.



04

DEVELOPMENTS IN INDIA

NEW PROJECT IN ANDHRA PRADESH

The Maritime Board of Andhra Pradesh is developing a ship recycling site off the beach, with the potential use of a dry-dock. This project comes along with four new deep-water ports to turn Andhra Pradesh into a major contributor to coastal economic activity. Whereas the setup of dry-docks is supported from an environmental and human perspective, it is important to keep in mind that the downstream waste management, including the correct cleaning of steel plates, and the protection of workers' rights must be correctly addressed to meet the highest standards, which in the present moment are represented by the European Ship Recycling Regulation and are much stricter than those set up by the Hong Kong Convention.

“

We are looking at developing an integrated steel cluster with downstream industries very close to recycling yards that would accrue a lot of synergies and support our economic viability.

”

Ravindranath Reddy

Deputy chief executive of the Andhra Pradesh Maritime Board

05

DEVELOPMENTS IN BANGLADESH

CONCERNS ABOUT SHIPBREAKING WORKERS IN BANGLADESH - UN INDEPENDENT EXPERT VISITS SITAKUNDA

Claudia Mahler, UN Independent Expert on the enjoyment of all human rights by older persons, met with the older workforce of the shipbreaking sector in Chattogram. She expressed her concerns about their working conditions and their state of health as a result, as well as the government's lack of support.

“

We spoke with older people who work in the industry, and they told us, in difficult to be honest, heartbreaking circumstances, that they are facing the work without any protection.

”

Claudia Mahler

UN Independent Expert on the enjoyment of all human rights by older persons

06

DEVELOPMENTS IN PAKISTAN

NATIONAL INSTITUTE OF MARITIME AFFAIRS WEBINAR

On October 27, the National Institute of Maritime Affairs (NIMA) organised a webinar about the future of ship recycling in Pakistan within the context of the United Nations 2030 agenda for sustainable development entitled “Implications of IMO Conventions in National and International Context and the Way Forward”. The speakers at the event were Prof. Raphael Baumler, who presented evidence of the dire conditions in Gadani, the Deputy Director of the Ministry of Climate Change (MoCC), and Ingvild Jenssen, Director of the NGO Shipbreaking Platform. Ingvild addressed the topic of the blue and circular economy. Aside from encouraging Pakistan to increase investments in innovation and capacity building for sustainable ship recycling, Ingvild stressed the importance of going beyond the Hong Kong Convention and of embracing the highest standards for labour rights and environmental protection.

07

CRIMINAL LIABILITY IN THE SHIPBREAKING INDUSTRY IN SOUTH ASIA

In recent years, there have been several criminal investigations related to the illegal export of ships from OECD countries to non-OECD countries. In 2018, for the first time, a European shipping company was held accountable for selling ships for scrapping to substandard shipbreaking yards in South Asia. Breaching existing ship recycling legislation is an environmental crime because it involves actions that "violate environmental legislation and cause significant harm or risk to the environment and human health". The Intelligence Project on Environmental Crime states, "Environmental crime is a broad area of criminality, primarily undertaken to gain (illicit) profits, which damages or puts at risk the environment and in extension, human health." One of the most common methods used by shipowners to try to avoid criminal liability is to sell their obsolete assets to third parties, known as cash buyers, who in turn send the vessels to shipbreaking yards for dismantling. Shipowners also evade their corporate responsibilities, such as complying with environmental standards for ship recycling, by creating parent-subsidary companies that allow them to split their assets and distance themselves from the fate of their end-of-life fleet. On a positive note, the 2018 ruling sends a clear message that dirty and dangerous scrapping will no longer be tolerated, no matter how many intermediaries get involved in the sale processes. Shipping companies should be held accountable for their decisions to manage end-of-life ships and for the social and environmental costs of scrapping on the beaches of South Asia. The polluter pays principle should be observed. This principle was first introduced by the OECD in 1972 and is one of the 27 guiding principles for future sustainable development. It states that "the polluter should bear the expenses of carrying out the pollution prevention and control measures introduced by public authorities, to ensure that the environment is in an acceptable state". By applying this principle, polluters are made to prevent environmental damage and take responsibility for the pollution they cause. This principle was developed taking into account the economic responsibility for remedying environmental damage, which should be borne by the polluter and not by the taxpayer.

08

Essentially, it is about internalising negative environmental externalities. However, it is essential to point out that not only the shipping company must be held accountable, but also shipyards, brokers, insurance companies, banks and other entities involved in the transaction chain. These actors bear a responsibility and should be aware that non-compliance can lead to serious criminal, economic and reputational consequences.

2018 - SEATRADE CONVICTED FOR TRAFFICKING TOXIC SHIPS: FIRST CASE OF CRIMINAL LIABILITY

In March 2018, for the first time, a European shipping company was held criminally responsible for selling ships for scrapping to sub-standard shipbreaking yards in India and Bangladesh, where, as is widely acknowledged and according to prosecutors, "*current ship dismantling methods endanger the lives and health of workers and pollute the environment*". In this case, the Rotterdam District Court found the Dutch company Seatrade liable under Dutch criminal law for a breach of the European Union Waste Shipment Regulation (EU WSR), fined it EUR 750,000 and banned two of its executives from working for the company for one year. In 2013, the NGO Shipbreaking Platform uncovered Seatrade's sale of the ships SPRING BEAR and SPRING BOB to Indian and Bangladeshi dismantlers respectively. The Regulation prohibits EU member states from exporting hazardous waste to countries outside the OECD. The Dutch prosecution also focussed its attention on the dismantling of the SPRING PANDA and SPRING DELI in Turkey, an export that requires certain documentation to be in place. All four ships had made their final voyage to the scrapping yards in spring 2012 from the ports in Rotterdam and Hamburg. Despite the ruling, Seatrade later sold two more ships in 2017 - the SINA and ELLAN - for dirty and dangerous dismantling on the beach at Alang, India.



09

2019 - HOLLAND MAAS

In 2013, the Dutch company Holland Maas Scheepvaart Beheer II BV, a subsidiary of WEC Lines BV, sold the HMS Laurence to a cash buyer. The ship ended up in Alang, India, where it was dismantled in conditions that, according to the Dutch Public Prosecutor's Office, "*cause serious damage to the environment and expose the health of workers and the local population to grave danger*". Holland Maas was fined EUR 780,000 in 2019 and had to pay EUR 2.2 million to settle the case, the amount the shipping company earned from selling the ship to the Alang shipbreaking yard. The prosecution was willing to accept the settlement if the company undertook to take appropriate measures to avoid scrapping ships on beaches in the future. Back in 2015, the captain of the HMS Laurence was sentenced to a six-month conditional revocation of his shipmaster's licence by the Dutch Maritime Disciplinary Tribunal. According to the disciplinary court, the captain breached his duty of care towards the environment by stranding the ship. This first case of suspension of a European ship captain has shown that crew members can also be held liable for dirty and dangerous shipbreaking.

“ It is very encouraging to see that ship owners are being held accountable for the trafficking of toxic ships – it is also encouraging to see that WEC Lines BV is now committed to the safe and clean recycling of its fleet off the beach. With that they join other responsible ship owners, such as Dutch Boskalis, German Hapag Lloyd, and Scandinavian companies Wallenius-Wilhelmsen and Grieg, that already have sustainable recycling policies in place that clearly rule out beaching. ”

Ingvild Jenssen
Executive Director NGO Shipbreaking Platform



10

2019 - NORTH SEA PRODUCER CASE

In August 2016, the FPSO NORTH SEA PRODUCER, owned by Danish A.P. Moeller Maersk and Brazilian Odebrecht, was beached in Chittagong, Bangladesh. Under the current law, exporting ships containing hazardous materials for dismantling from the OECD to non-OECD destinations is a violation of the EU Waste Shipment Regulation. Maersk and Odebrecht chose to sell the ship to the largest scrap dealer for ships, the cash buyer GMS, through a shell company called Conquistador Shipping Corporation from St Kitts and Nevis, under which the ship was registered. The ship was allowed to leave the UK under the false claim that it would be reused in Nigeria. The UK authorities relied on the false contract and allowed the FPSO to leave. But the NORTH SEA PRODUCER never arrived in Nigeria. Instead, it was towed directly from the UK across the African continent to Bangladesh. The Platform immediately alerted both the British and Bangladeshi governments about the illegal export. Only after the FPSO had left the UK - and after the case had been heavily criticised in the Danish and international press - did Maersk say it was "very, very sorry" that the Conquistador Shipping Corporation had sent the NORTH SEA PRODUCER to Chittagong.

In the UK and Bangladesh, the Platform is fighting on the frontline to hold the owners and cash buyer GMS accountable for the illegal export of the FPSO. On 14 November 2019, the High Court Division of the Bangladesh Supreme Court declared the import, landing and scrapping of the notorious FPSO illegal. The verdict came in a Public Interest Litigation (PIL) filed by the Bangladesh Environmental Lawyers Association (BELA), a member of the Platform. The court noted with dismay that the shipbreaking industry consistently violates national and international law and issued several directions to the government to regulate the sector in line with previous rulings.



11

This judgement underlines, on the one hand, the systemic illegality of the entire shipbreaking sector and, on the other hand, the shortcomings of the local authorities responsible for enforcing environmental and labour laws. Having won the case of the illegal import and stranding of the North Sea producer, NGOs are now calling on the UK to hold the responsible parties accountable for the illegal export of the toxic unit. Although six years have passed, the UK Environment Agency (DEFRA) is still investigating the case.

“The judgement is important in that it has expressly called the import, beaching and breaking permits illegal, and for the first time a breaker has been put off the breaking operation and the government has been given the steering. It is even more important because it has required the government to regulate the dubious roles of the cash-buyers and restrict import from grey- and black-listed flag registries. This will surely make it difficult for the unscrupulous players to treat Bangladesh as a dumping ground.”

Syeda Rizwana Hasan

Supreme Court lawyer and Director of Bangladesh Environmental Lawyers Association

2020 - HARRIER CASE

In November 2020, a case about the export of the end-of-life ship HARRIER was heard in Norway. The Norwegian owner of the HARRIER (ex- TIDE CARRIER) had attempted to sell the vessel to a cash buyer for breaking. Hours after the ship attempted to leave Norwegian waters, under the false pretence of heading towards a repair yard, salvage operations had to be launched to prevent the stricken vessel from sinking after engine failure. A search on board by local authorities confirmed that the HARRIER was destined to be broken up on a South Asian beach. When the Norwegian Environment Agency boarded the stranded vessel, they found evidence that it did indeed have a "break up voyage" insurance from Norway to Gadani, Pakistan. They also found unidentified and excessive amounts of sludge and fuel oil. The purchase agreement from the summer of 2015 - when the Platform had first received an anonymous warning - showed that the contact person for the registered owner, Julia Shipping Inc, was Keyur Dave, the chief financial officer of cash buyer Wirana.

12

Consequently, in 2020, the ship owner, George Eide, was convicted in the District Court for violating the provisions of the Norwegian Pollution Act on the export of waste. Under the Pollution Act, any export of waste to non-EU or non-OECD countries is prohibited. The judgement clarifies that it is irrelevant for the penalty whether a shipowner sells a ship directly to a scrap yard on the beach in South Asia or engages with an intermediary scrap dealer (also known as a cash buyer) to make the sale. In early 2022, following Eide's appeal, the Court of Appeal upheld the six-month prison sentence imposed on the Norwegian shipowner for the attempted illegal export of hazardous waste from Norway. The cash buyer, Wirana, was fined NOK 7 million for falsifying papers to deceive the Norwegian authorities about the true destination of the barge and its seaworthiness so that the ship could leave Norway. The cash buyer agreed to pay the fine, but without admitting any wrongdoing. The ship surveyor Aqualis Offshore and the insurance company Skuld Maritime Agency were also investigated for their involvement in the attempted illegal export of the HARRIER to Pakistan.

The case of the HARRIER illustrates the many risks of doing business with unreliable companies that have a history of putting profit before people and the environment. It serves as a wise reminder that shipowners, their marine insurers, financiers and brokers should always seek legal advice as early as possible to ensure compliance when considering scrapping their end-of-life vessels.

RESEARCH & READINGS

2021

Anupam Dey, Obuks A. Ejohwomu, Paul W. Chan

A comprehensive literature review of 286 journal articles examines the ship-recycling industry as a focal resource recovery industry, considering sustainability dimensions based on three key challenges (environmental, social, and economic) and three enablers (law and policy, technology, and management) across three levels of analysis. These levels reflect the macro (national/regional), meso (industry) and micro (firms/operations) levels of analysis. As a conclusion, the article presents suggestions for future research from a systems perspective to demonstrate the interconnectedness of sustainability challenges and enablers in ship-recycling.

[Sustainability challenges and enablers in resource recovery industries: A systematic review of the ship-recycling studies and future directions](#)

14

OUR REPORTS

NGO Shipbreaking Platform

[Breaking Out: Anchoring Circular Innovation for ship recycling](#) (2022)

[The Toxic Tide - Data and figures](#) (2021)

[Contradiction in terms: European Union must align its waste ship exports with international law and green deal](#) (2020)

[Study Report on Child Labour in the Shipbreaking Sector in Bangladesh](#) (2019)

[Behind the Hypocrisy of Better Beaches](#) (2019)

[Recycling Outlook. Decommissioning of North Sea Floating Oil & Gas Units](#). (2019)



To ensure that safe and clean ship recycling becomes the norm, and not the exception, the Platform will continue to inform policy makers, financial and corporate leaders, as well as researchers and journalists. With a broad base of support both in orientation and geographically, including membership in ship owning as well as shipbreaking countries, the Platform plays an important role in promoting solutions that encompass the respect of human rights, corporate responsibility and environmental justice.

WILL YOU JOIN US?

**IF YOU SHARE OUR VISION PLEASE MAKE A DONATION
TO SUPPORT OUR WORK OR CONTACT US TO FIND OUT
HOW WE CAN WORK TOGETHER!**

**SUPPORT
OUR WORK**



Since 2009, around 7073 ships were scrapped in South Asia, causing 441 deaths and 384 injuries. The figures on accidents are likely to be much higher. Occupational diseases are not even registered in these statistics and are difficult to monitor.

WE ARE NOW CALLING FOR YOUR SUPPORT TO HELP INJURED WORKERS AND ASBESTOS VICTIMS IN BANGLADESH. CHECK OUT OUR FUNDRAISING CAMPAIGN FOR MORE INFORMATION BY [CLICKING HERE](#) OR ON THE IMAGE BELOW.

FUNDRAISING CAMPAIGN

HELP PROVIDING TREATMENT TO
INJURED WORKERS AND ASBESTOS VICTIMS
IN BANGLADESH



DONATE NOW



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WE THANK THE EUROPEAN COMMISSION AND THE LIFE PROGRAMME FOR THEIR SUPPORT.

Engineering 

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