



NGO SHIPBREAKING PLATFORM

UNDERSTANDING THE ILLICIT BUSINESS OF SHIPBREAKING

BY
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INTERPOL BRUSSELS 13 NOVEMBER 2019

The problems

High risk of accidents and damage to workers' health

Lack of proper medical and healthcare facilities

Breach of labour rights

Emissions to sea and ground in intertidal zone

Emissions to air, also at steel rerolling mills

Poor or no proper treatment of hazardous wastes

Poor quality and misleading 3. party surveys

Lack of transparency

90,4% of global tonnage



518 ships sold to South Asian ship beaching yards



35 workers lost their lives
39 workers severely injured







‘If you talk about the problems, you’re fired’

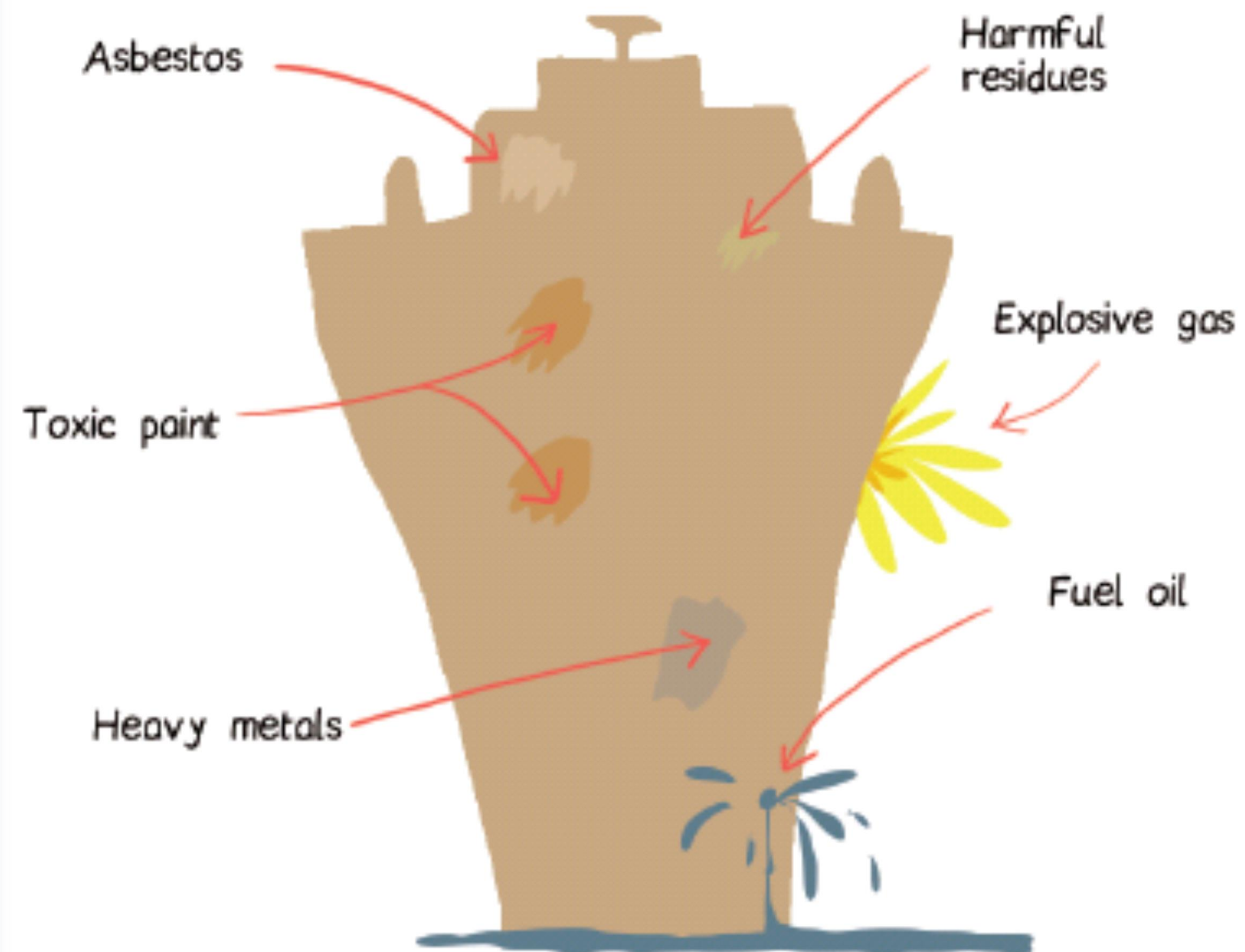
Danwatch’s investigation in Alang on the practices of Maersk



Externalisation of costs

Polluter Pays Principle /
Extended Producer Responsibility

Requires that the beneficiaries of global shipping, or a single ship owner, must be held accountable for the true costs and liabilities of their vessels at end-of-life



Relevant legislation



UNEP Basel Convention

Exporting-State Jurisdiction

Adopted 1989, entered into force in 1992

Controls transboundary movement of hazardous waste with a view to protecting developing countries

Incorporated at the EU level under the **Waste Shipment Regulation**



EU Ship Recycling Regulation

Flag-State Jurisdiction

Applicable as of 31 December 2018

High Standards

List of approved facilities and Independent third party audits

Financial incentive can be added



IMO Hong Kong Convention

Flag-State Jurisdiction

Adopted 2009, not yet entered into force

Ignores Downstream Waste Management

Allows BEACHING

Denounced by NGOs, UN Special Rapporteur and European Parliament



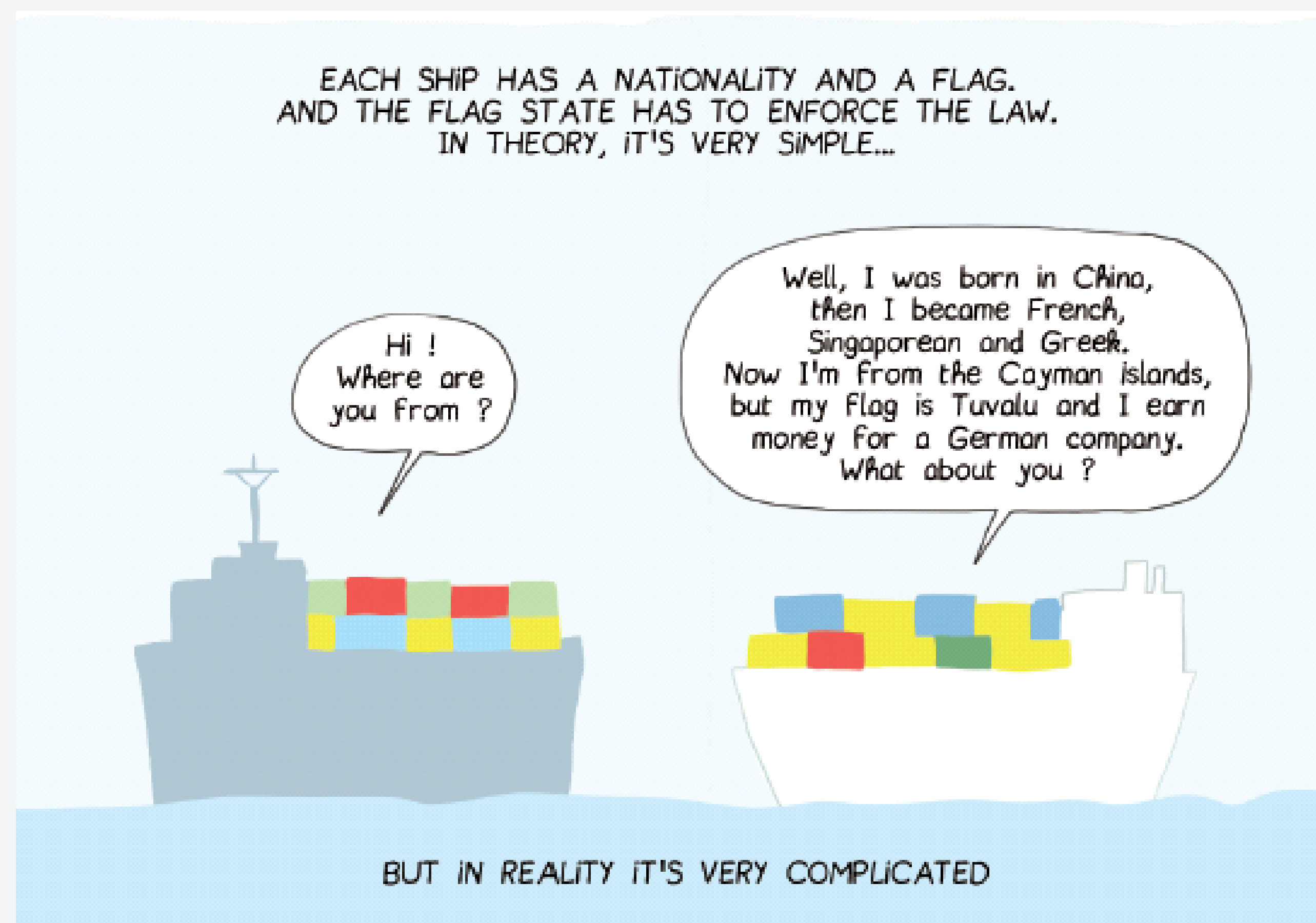
SHAME: I.M.O. Dumps TOXIC SHIPS on Beaches
NGO Platform on Shipbreaking

大巴士 香港觀光遊 TOUR OF HONG KONG THE RED BUS COMPANY

Easy circumvention of the law...

For non-EU flagged vessels covered by the Basel Convention or EU Waste Shipment Regulation: Simply issue a false declaration of intent, such as “further operational use” or “repair work”... or simply just plot in AIS: “Steaming for Sunshine”...

For EU flagged vessels under the EU Ship Recycling Regulation: Simply swap to non-EU flag, typically a Paris MoU grey- and black-listed flag...



NUMBER OF SHIPS DISMANTLED IN SOUTH ASIA SINCE 2009

And their country of origin



Criminal Liability

Seatrade

Dutch court sentences Seatrade to heavy fines and forbids two company executives from exercising their profession for 1 year
Court decision based on the INTENT to sell vessels to India



Dutch court informs that Holland Maas Scheepvaart Beheer II BV, a subsidiary of WEC Lines, has been fined for illegal export and that the company has settled EUR 2.2 mill





Other legal cases and ongoing investigations



MAERSK

ODEBRECHT



Compensation claims



Leigh Day



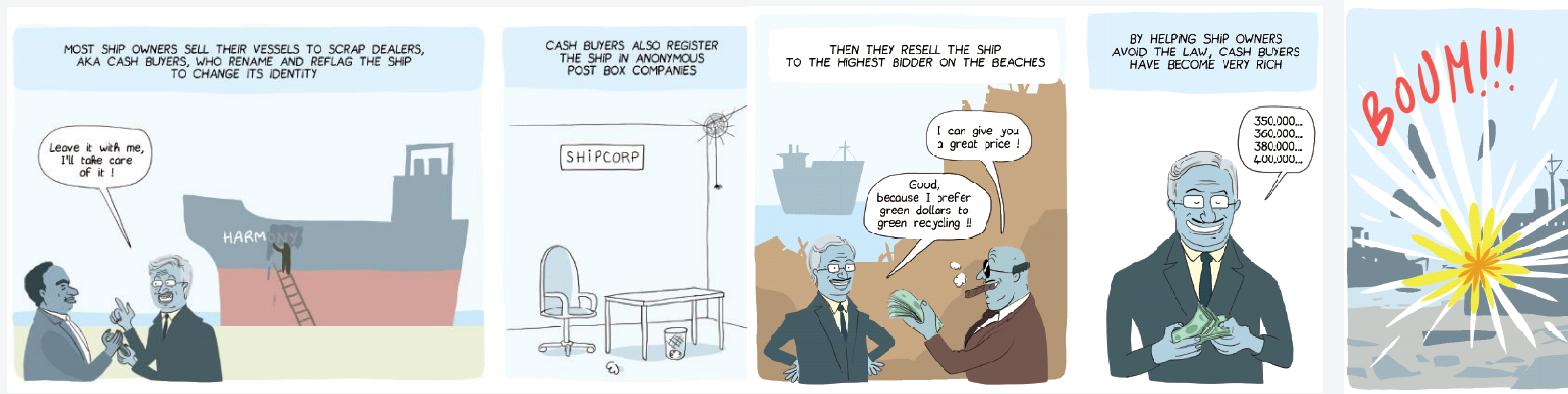
ZODIAC MARITIME AGENCIES LTD

Bangladesh worker was seriously injured when breaking a Zodiac vessel

Represented by law firm Leigh Day, he claims compensation from Zodiac in UK

The case was settled to the satisfaction of the worker

Cash buyer = scrap dealer



DUBAI TRADING AGENCY



Ace Exim Pte Ltd

WIRANA
SHIPPING CORPORATION



Flags of Convenience

Ship owners often change the flags of their vessels just before the last voyage to the shipbreaking yards in order to reduce costs and take advantage from light regulatory burdens. These flags are often grey - or black-listed flags from tax havens and non-traditional shipping nations like Comoros, Palau and St Kitts & Nevis.

There is a huge discrepancy between the states in which ship owners are based and the flag states that exercise regulatory control over the world fleet.

End-of-life Flag States

Panama and Liberia are the main granters of flags of convenience also during operational life.

Palau
Comoros
Panama
St Kitts & Nevis
Liberia
Niue
Togo
Tanzania
Thailand

Ship Owning States

Ship owners from these countries benefit from the use of flags of convenience.

United States of America
Greece
United Arab Emirates
India
Russia
Unknown
Singapore
Germany
Malaysia
Thailand
South Korea
Indonesia
Japan
China
Nigeria
Cyprus
United Kingdom
Hong Kong
Taiwan
Norway
Canada
Monaco
Syria
China
Chile
Turkey
Belgium
Ecuador
Kuwait
Lebanon
Ukraine
Venezuela
Marshall Islands
Philippines
Bermuda
Brazil
British Virgin Islands
Denmark
Egypt
Finland
France
Iraq
Myanmar
Netherlands
New Zealand
Pakistan
Paraguay
Peru
Romania
Saudi Arabia
Seychelles
St Kitts & Nevis
Sudan

Fraud & greenwashing



False Inventories of Hazardous Materials (IHM)

Hazardous materials are not declared, and thus not properly managed



Statements of Compliance with the Hong Kong Convention (HKC SoCs)

Box-ticking exercise

Subjective interpretation of weak standards

Poor environmental monitoring accepted and downstream waste management ignored

Classification societies as private consultants (not ROs)

90 HKC SoCs already issued

PROVIDENCE SHIPPING CORPORATION

March 11th 2011

TO WHOM IT MAY CONCERN

Re: GOOD NEWS (IMO 8001787)

Based on the information available, we hereby confirm that the subject vessel has not carried any hazardous cargo nor Nuclear Items on board in the past and presently is not carrying hazardous cargo on board.

Name	Quantity
1. Asbestos	Nil (As per available information)
2. PCB	Nil (As per available information)
3. PVC	Nil (As per available information)
4. Cargo	Nil
5. Stores	Nil (As per available information)
6. Further vessel will have following quantities of Bulk:	
a) G.O.:	To be ascertained upon arrival but estimated quantity - 32.00 MT
b) F.O.:	To be ascertained upon arrival but estimated quantity - 70.00 MT
c) L.O.:	To be ascertained upon arrival but estimated quantity - 15,110 Ltrs
7. Others chemicals	Nil (As per available information)
8. Nuclear substances	Nil (As per available information)

To best of our knowledge said vessel has not been targeted by any authority for violation of provisions of MARPOL, or any Non-Governmental Organization in this respect and vessel is not amongst the list of 90 vessels highlighted by Greenpeace for carrying excessive Hazardous materials on board.

Yours faithfully
PROVIDENCE SHIPPING CORPORATION
[Signature]
Authorized Signatory

Excellence in Environmental Services

Project Consultancy
Impact Assessment
Monitoring Program
Laboratory
Auditing

Cherry
Green Environment
GPCB Approved Auditor

Ref. No.: Soshiya / 966

SEA WATER ANALYSIS REPORT

Name of Party: PRIVABLU INDUSTRIES PVT. LTD.
Plot No. V 1, Ship Breaking Yard,
Soshiya, Dist. Bhavnagar.

Date of Sampling: 20-09-2014

Sr. No	Parameters	Result
1.	pH	7.3
2.	Color	Colorless
3.	Chemical Oxygen Demand	239
4.	BOD 5 days at 20 °C	82
5.	Oil & Grease	1.2
6.	Ammonical nitrogen	11.0
7.	Total nitrogen	18.0
8.	Total residual chlorine	Nil
9.	Arsenic	Nil
10.	Lead	Nil
11.	Cadmium	Nil
12.	Hexavalent Chromium	Nil
13.	Total Chromium	Nil
14.	Copper	Nil
15.	Zinc	Nil
16.	Selenium	Nil
17.	Nickel	Nil
18.	Sulphide	Nil
19.	Phenolic compound	Nil
20.	Iron	1 PPM
21.	Manganese	Nil
22.	Nitrite	BDL
23.	Nitrate	1.4
24.	Total Dissolve Solid	29,152
25.	Suspended Solid	345

All parameters except pH are in mg/Ltr.
BDL: Below detectable limit 1 ppm.
Sampling from sea water adjoining the plot

For, Cherry Green Environment
[Signature]

301, Tanay Complex, Above Hotel Parkview, Atabhai Chowk, Bhavnagar - 364 002.
Ph. : 0278 2225620 E-mail : cge2313@yahoo.com



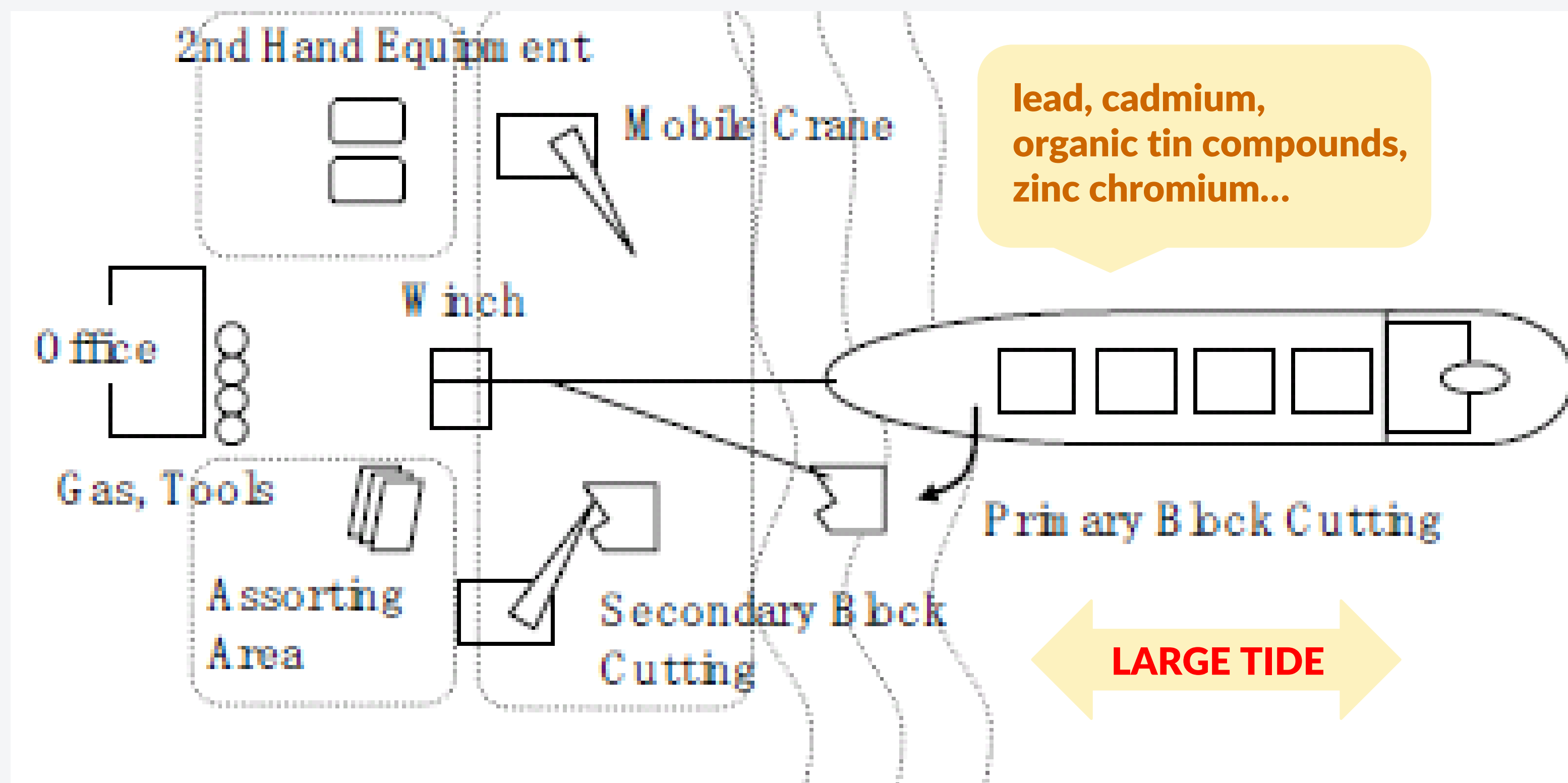
“Intertidal landing” is beaching

Impossible to contain pollutants

Lack of access for emergency equipment



Poor environmental monitoring



Extended Responsibility

WIRANA
SHIPPING CORPORATION



Insurer and Marine Warranty Surveyor also under investigation for having aided Wirana to illegally export the vessel from Norway

Turkish authorities do not authorise the recycling of the Harrier at Aliaga yard SOK before the fine and clean-up costs of Izmir oil spill are paid: USD 4.8 mill



Mitigating risk: due diligence

Factoring in social, environmental and governance criteria, not just financial return

Due diligence extends to the company's entire corporate structure, including controlled companies, as well as its business relationships

UN Guiding Principles on Business and Human Rights:
13. The responsibility to respect human rights requires that business enterprises: [...] (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.



SOLUTION

EU List: guarantee and opportunity

34 yards currently recognised as meeting ship recycling standards

Several yards operating under capacity

Dormant capacity & new yards

Scrap steel: circular economy and green jobs

Waste management opportunities

Robust market differentiator

Competitiveness based on use of state-of-the art technologies



Some final facts and thoughts...

- Upcoming environmental laws on sulphur and ballast water will push more vessels off the market
- Shipping is a strongly subsidised industry – tonnage tax, exemption from tax on ship fuels and fiscal exemption for seafarers in EU account alone for an estimated 3 billion EUR tax reduction according to OECD which in a recent report questions the « value for money » in light of the weak social and environmental performance of shipping
- Shipping is also one of the least transparent industries – why is data on beneficial ownership not publically available?
- Quote of the day: “ *We understand and share people’s frustrations that assets such as these are leaving to be dismantled in other countries, especially when ports such as ours are licensed and ready to accept these projects*” - Port of Cromarty Firth, Scotland



**Role of NGOs: from pollution to solution
fact-finding, advocacy, advice, litigation - support our work!**



@shipbreakingplatform



@NGOShipbreaking