Like most other things, ships don’t last forever. After 25-30 years they are no longer commercially usable and therefore taken out of service to be dismantled. The materials are recycled to a lesser or greater extent – since a large cargo vessel may consist of 20-40,000 tons of steel, they clearly have a market value as steel scrap.

The vast majority of ships are taken to India, Pakistan or Bangladesh to be scrapped on the beach. There is something quite wrong with that. People in flip flops on beaches are OK. But people on beaches wearing flip flops and no safety gear while taking apart massive cargo ships with hand tools is simply wrong.

Unsurprisingly, ship breaking is one of the most dangerous industries. According to the EU Commission, it is six times more likely to die at work in the Indian shipbreaking industry than in the Indian mining industry, and according to a recent report from Sustainalytics, 1,000 people died in the Bangladesh ship breaking industry over a 10 year period.

NGOs argue that beaching must end now. We agree. In Maersk Line we have a policy on responsible ship recycling. Since 2006, we have recycled 23 ships responsibly, and we have sent none to the beach.

Most of our ships, however, are sold off well before they get too old to operate as it is important to us to have a modern and energy efficient fleet. And from time to time we are criticized by NGOs that the scope of our policy is too narrow because it only covers our own ships and not chartered vessels – and because we don’t sell ships with a clause that they should be recycled responsibly.

I doubt that such a clause would really serve as any guarantee for responsible ship recycling but that is
actually besides the point I am trying to make here. We don't like to see ships that have served us being sent to the beach, but we also think it is important to draw a line in the sand.

While it is important to us to take good care of our old ships, we don't think it is the way forward for us to sponsor that other companies take good care of their old ships as well. And we really don't think that the issue of unsafe and unsustainable beaching is well addressed by private companies alone.

The real answer to the problem is global regulation that raises the legally acceptable minimum standard for ship recycling. In 2009, the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships was adopted. Yet in 2013, only two countries have ratified it.

The Hong Kong Convention is not perfect – actually it doesn’t ban beaching, it just makes it a lot harder to scrap ships this way. But it is the best we have, and if it entered into force, it could be improved over time.

So we need more countries to ratify the convention. Actually, it's fair to ask what's holding them back. Did governments change their opinion since 2009 when they adopted the Hong Kong Convention and now think that beaching is not an issue, or is it simply lack of priority?

If the health and safety statistics of the ship breaking industry is not enough of an argument for the Hong Kong Convention, here is another argument: Over the coming decades, steel will get scarcer and therefore more expensive, which means we need to become better at steel recycling.

When ships are scrapped on beaches, I will argue that it is less likely that the materials are recycled to their full potential. Taking ships to proper recycling yards like the ones in China will enable a far better recycling of the steel for use in building new ships and other constructions.

With 20 years experience in shipping and 3 years direct experience in ship recycling industry, my opinion is: Recycle yard is a "market place" where the ship owners demand as much price as they can get in USD, the Recycle yards pay the price to get these ships in USD. The profit of the Recycle yard is equal to Selling price (steel + parts in local currency) - buying price in USD. With currency fluctuation and steel price fluctuation it is a Gamble taken by the Recycle yards. Cost of Improvement to working condition and cost of meeting safety standards is part of the business operation cost. Recycle yard owner should not cut this "operation budget" and should maintain "safety standards". However, should this cost only to be covered by the "recycle yards" or should it be back charged to the "ship sellers" or to be charged while ship was built or should be billed to the customers who used these vessels to transport their cargo? Some one has to pay the bills for the "safety". Till then the "working men" have to pay it with their blood.
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"Deva" Devarajan.M | Sunday, January 03, 2016 10:08:07 AM

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It is crucial that shipowners support the initiatives of the Hong Cong Convention and
other efforts of the IMO. It is also important that other NGOs, representing Ship Managers, cargo owners, charterers, etc. all join in to ensure that the deplorable practices involved in beaching and ‘destroying’ ships, rather than breaking them are ended as soon as possible.

I, for one, am grateful that Maersk, given their leadership position among shipowners, have undertaken to ensure that their ships are treated in a responsible way once they reach end of life. I encourage other shipowners and their partners in maritime shipping to follow Maersk lead and ensure that the ships they control and/or influence are also treated responsibly when their end of life occurs.

I am curious about the staff employed by ship breakers to manage the response to the Hong Cong Convention. For example, are Marine Engineers and Naval Architects employed to survey the vessel in advance, determine the most equitable method for breaking the ship, supervise the process, etc.?