



NGO
SHIPBREAKING
PLATFORM

“Chittagong Blues & The Shipbreakers”

Art and photo exhibition

Brussels, 29 May 2013

Speech by Patrizia Heidegger, Executive Director of the NGO Shipbreaking Platform

Ladies and Gentlemen,

Let me welcome you to the exhibition “Chittagong Blues & The Shipbreakers” in the name of the NGO Shipbreaking Platform.

First, I would like to thank the German artist Nele Stroebel for cooperating with us on this exhibition and for being present today. Moreover, we would like to thank Pierre Torset, the French photographer, who has provided us with very strong images of the shipbreaking yards in Bangladesh.

In the last ten years, shipbreaking in South Asia has attracted an array of artists, photographers and filmmakers from around the globe: all of them were overwhelmed by the fact that the largest movable structures that mankind has built, large ocean-going vessels – symbols of the technological excellence of modern man and the motor behind globalization – end up on beaches. They are broken down by a largely unskilled workforce of day labourers, some of them still barefoot up to this very day.

I invite you to take a close look at the works of art on display and let their message sink in. The artistic approach allows us to see things again from a different angle.

We are very grateful to Edelman / The Center, especially to Jill Craig, the deputy general manager, and Malin Myhrman for hosting this exhibition. Moreover, we would like to thank the European Commission for the support of our work.

We are happy to welcome guests from the diplomatic corps, representatives from the European Parliament and the Commission, from civil society, trade unions, the industry and the media.

The NGO Shipbreaking Platform is a coalition of 18 human and labour rights and environmental NGOs from 10 countries, including the three South Asian countries which take in the largest number of end-of-life vessels: India, Bangladesh and Pakistan. Our objective is to seek clean and safe solutions for ship recycling. We are opposed to the dumping of end-of-life vessels in substandard facilities in developing countries, a practice which externalizes the real costs of clean and safe recycling and of the management of all the hazardous wastes on board to poorer communities in the global South.

It was the NGOs' campaign, which put the issue on the agenda of international organisations, the EU and national governments. Ten years of discussions have resulted in first signs of improvements on the ground; however, the problem is far from being solved. We demand for stronger legislation on the different levels; and yet any legal regulation will fail to be effective, as long as the shipowners will not decide to change their practice as well.

The shipping sector is highly globalized: a ship's beneficial owner may be in Athens; the registered owner in the Marshall Islands, whose flag it flies, and be chartered for use by a Danish shipowner. In an ideal situation, all flag states and all recycling states would be parties to a strong international convention and would enforce their obligations for real green shiprecycling. The current situation is the following: we have the Basel Convention, the only international treaty which covers end-of-life vessels today, but is widely circumvented, and we have the Hong Kong Convention, a specific convention for shiprecycling, which has not entered into force yet and will not do so in a reasonable timespan.

As long as we have no effective international regulation without major loopholes, the improvement of the situation will also depend on the ship owners' will to demand clean and safe recycling. This is why I would like to speak to you about the corporate social responsibility of the maritime sector for its end-of-life vessels.

In 2012, the NGO Shipbreaking Platform counted 365 European owned ships that ended up on a beach in South Asia. Another 460 were sent from countries such as China or the US. In no previous year did more ships reach the beaches: 2012 broke all records. More than 2 out of 3 ships were dismantled in substandard facilities.

When shipowners sell a vessel for dismantling, they usually do so with the help of a broker and a cash buyer. They do not want to deal with the breaking yard directly. The cash buyer looks for the highest price he can obtain for the vessel on the market. Before the last voyage, the ships often change their flag and name in a useless attempt to conceal previous ownership.

Just to give you an idea of the cash buyers' attitude: in a major industry conference on ship recycling in 2012, the director of the cash buyer who sponsored the event opened the conference with the words: "I prefer Green dollars to Green ship recycling".

A vessel of 20.000 tons of lightweight can easily obtain a price of around 10 million USD when sold to South Asia. End-of-life vessels thus have a large residual value. Clean and safer ship recycling still allows for returns, however less. For most shipowners the consideration of the human and environmental impact comes last in the calculation of possible profit.

Before we move on to the ship owners' responsibility, let me give you a short reality check of the situation on the ground.

We do not want to play down the efforts that have been made in South Asia to improve the situation. To name a few examples: Bangladesh has recognized the industry and is trying to set up rules for the sector. India demands a gas-free for hot work certification for every imported tanker. The authorities in the state of Gujarat have promised to set up a hospital close to the breaking yards. More workers now wear helmets and some yards have invested in machinery. However, there has been no substantial change:

- First, shipbreaking is taking place directly on the beaches, where the full containment of the pollutants is impossible. If you have a look at recent satellite pictures online, you can see the oil spills from the ships on the beaches along the Indian coast.
- Second, hazardous wastes are not properly managed and workers are exposed to toxics. During our last visit to the yards in Pakistan in December 2012, we saw that workers tear out asbestos from the ships with no protection but leather gloves. The asbestos is then dumped behind the yards in torn bags, close to the shacks of the workers and some of their families.
- Third, no adequate emergency response is available. For instance, when a fire broke out on the British-owned vessel "Union Brave" in Alang/India last October, 6 people

died on the spot and at least one other worker died after a long way to the next hospital. No ambulance can reach a vessel stuck in mud.

- Forth, adequate lifting equipment to ease the workers' burden can hardly be installed on a beach. Last year, 16 year-old Khorshed Alam got smashed by a falling steel plate in a yard in Bangladesh, because the workers carrying it could not stabilize it during strong wind.

This is why we and our members ask for a transition to safer practices - off the beach.

Other, safer and cleaner methods are available. Different stakeholders are responsible for improving this situation. Let us look at the ship owners, how take the decision where an end-of-life vessel goes and under which conditions it is scrapped.

When we or journalists confront shipowners with their shipbreaking practices, the following three reactions are very common:

- First, the shipowner denies that he has sold a ship for breaking on a beach and claims that we do not speak the truth – even if we have data available. Every ship can be tracked by its IMO number. To give you one example of the shipowner's attitude in this context: The Platform assisted a journalist who travelled to Bangladesh to track Norwegian vessels. The Norwegian company Odfjell had denied the beaching of its vessels despite our data. When they were confronted with pictures showing one of their ships on a beach in Bangladesh with a child labourer in front of it, the CEO's reaction was, quoted by the journalists, "Why the hell didn't the buyer fulfill his commitment!" – i.e. to immediately paint over the name of the ship once it is beached.
- Second, the shipowner argues that he had sold the vessel to another owner and did not know if would end up on a beach. Well, when selling to cash buyer, shipowners do know very well what is going to happen. Any other assertion is not credible, especially if a ship arrives on a beach just a few days after the sale.
- Finally – and this is quite a new phenomenon – shipowners argue that the facility in India was a "green ship recycling facility". There is no standard definition of "green ship recycling", and yard owners can easily claim to offer green recycling, even by fake certificates, which we found – simply called "Green Certificate", a nice colourful A4 printout. In any case, there is a clear double standard: what some shipowners accept as "green" in India is far from anything allowed elsewhere in the world and

their green image in Europe. Odfjell for example continues to send ships to beaching facilities, but now claims that the conditions are clean and safe, as the facilities hold certificates.

The shipowners' associations regularly state that they support the Hong Kong Convention. However, the reference to a convention whose entry into force date is unknown remains only a fig leaf as long as shipowners do not change their practices today. It is simple, too simple, to refer to law, which does not entail any obligation neither today nor tomorrow.

In 2009, the shipping industry under the auspices of the International Chamber of Shipping adopted guidelines on transitional measures for shipowners until the Hong Kong Convention enters into force. It is laudable to offer such guidance to shipowners, and that it has been endorsed by national shipowners' associations as well.

The first recommendation is to have an inventory of hazardous materials on board in order to identify dangerous materials found in the ship's structure. An inventory is the very first step towards clean and safe recycling. Despite available expertise to have an inventory done, most ships still do not hold it when sent for breaking. As a consequence, the ship recycling plan based on the inventory - another recommended transitional measure - is also not followed up by the shipowners. A third recommendation is to make sure that ships, especially tankers, are free from gas so that they are safe for entry and hot work. This is to avoid fires and explosions, which are amongst the most common accidents in the yards. What have shipowners done? When India introduced the requirement for such a certificate, all the old oil tankers suddenly went to Bangladesh, where they do not need it so far.

Therefore, there is a lot of wishful thinking, but unfortunately we do not witness that shipowners in general have already entered into the promised transition. Facilities that offer clean and safe ship recycling are underutilized and can hardly develop and grow, as most shipowners still choose the substandard facilities, as our data clearly show.

We expect the shipowners' associations, amongst them the European Community Shipowners' Association based here in Brussels, to play a more active role and to demand real changes in the behavior of their their members. We expect individual shipowners to develop their CRS policy with regards to ship recycling and accept their share of responsibility.

The NGO Shipbreaking Platform offers a constructive dialog with the industry and assists shipowners who want to make a change. We have had a major success story, when Boskalis, a Dutch company owning around 1100 vessels, declared earlier this year that it will pursue a policy aimed at the safe and socially responsible dismantling and that it felt challenged to aim for all shipbreaking activities to be conducted off the beach. Martijn Schuttevaer, responsible for CSR at Boskalis, stated after the dialogue with the Platform and its member the North Sea Foundation: “We have now added to our policy that shipbreaking must only take place on hard subsoil or in dry dock facilities. It goes without saying that we will continue to monitor compliance with procedures aimed at protecting people and the environment.”

Such examples are encouraging and can lead the way for others shipowners. On the one hand, we will continue to work with progressive shipowners as part of our corporate campaign; on the other hand, we will not stop to name and shame those you still do not care.

I am now looking forward to listening to Axel Singhofen, who will share some of his experiences with the maritime sector during the on-going legislative process at the EU-level for a regulation on ship recycling. Thank you very much for your attention and I hope you will enjoy this evening.