



SOUTH ASIA QUARTERLY UPDATE

Update on shipbreaking in South Asia from
the NGO Shipbreaking Platform

21 January 2016 | #8

In this quarterly publication, the NGO Shipbreaking Platform informs about the shipbreaking industry in Bangladesh, India and Pakistan. Providing an overview of vessels broken on the beaches of South Asia, accidents, recent on-the-ground legislative and political developments including our activities in South Asia, we aim to inform the public about the negative impacts of substandard shipbreaking practices as well as positive steps aimed at the realisation of environmental justice and the protection of workers' rights.

In this edition you will find out about the appalling accident record of the shipbreaking yards in Bangladesh in 2015. Very unfortunately, the New Year has already seen its first fatal accident in the shipbreaking yards of Chittagong. Our Bangladeshi member organisation OSHE Foundation recently published a Bengali language documentary highlighting some of our major concerns regarding occupation health and safety in the yards. In the last quarter of 2015, 150 large commercial vessels were sold for breaking, 104 of these were beached in South Asia.

OPINION FROM SOUTH ASIA:



The shipbreaking sector is one of the most hazardous sectors in Bangladesh. The workers manually handle all sorts of substances. They often suffer from various occupational diseases as well as fatal and severe accidents.

In order to address these conditions, the Bangladesh Occupational Safety Health and Environment Foundation (OSHE) has launched the project "Promotion of Decent Work for Shipbreaking sector", which is implemented in the shipbreaking area at Sitakunda, Chittagong. Ongoing activities include awareness-raising on labour rights and safe work procedures, various trainings, free health services, support to trade unions, the monitoring of workplace accidents and advocacy, networking & communication.

In 2015, OSHE followed up on the death of 14 shipbreaking workers and many more injured workers and has revealed details of the incidents in a workplace accident report based on the research of its field office at Sitakunda and the monitoring of 15 leading national daily newspapers. The majority of severe and fatal accidents are caused by cylinder and gas explosions, by falls from great heights, and by being hit by an iron bar or steel plate.

The working conditions in the shipbreaking sector are generally found very ruthless. The workers do not have little or no adequate training. There are no measures to prevent accidents and injuries. The men are exposed to asbestos and toxic fumes, the main reason for occupational diseases. The shipbreaking workers generally have to work long hours, manually handling and lifting heavy weight equipment and ship parts. To reduce their vulnerability, OSHE promotes the formation of occupational health and safety committees at yard level in accordance with the Bangladesh Labour Law, 2006, and demands a rehabilitation program for victims of workplace accidents. Moreover, the compensation amount for injured workers needs to be reconsidered in order to grant justice to workers suffering from severe injuries, lifelong health impacts and disabilities.

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OFF THE BEACH !

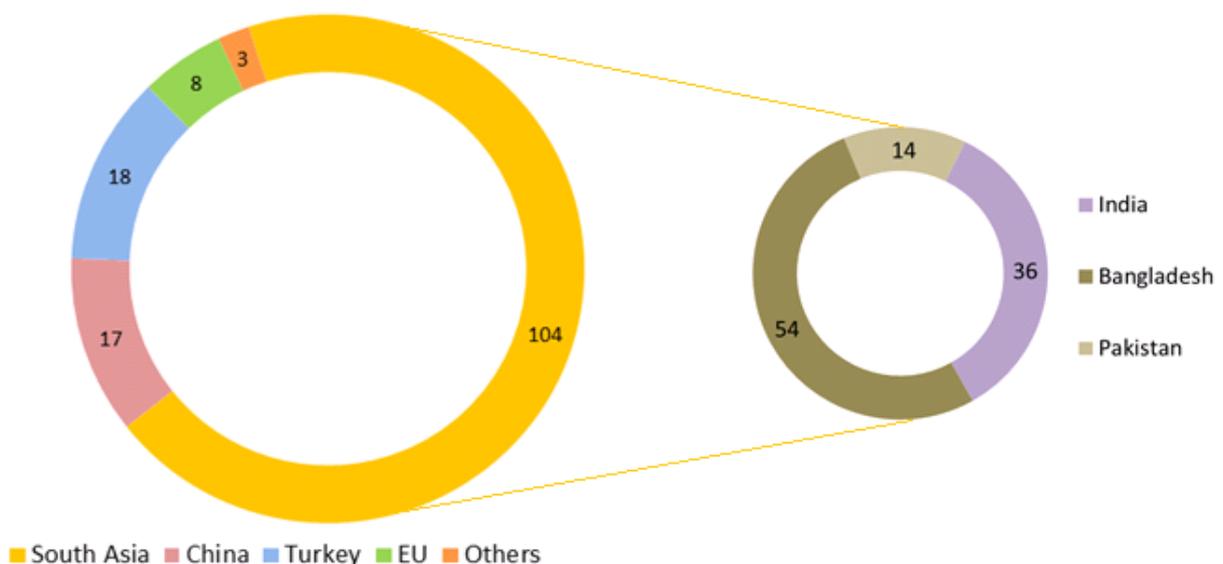
Out of 150 end-of-life ships sold for breaking in the last quarter of 2015, 104 ended their operational life in South Asia according to the data collected and analysed by the NGO Shipbreaking Platform. For the first time in many years, the shipbreaking yards in Bangladesh received more ships than the Indian and Pakistan breakers received collectively. In the second half of 2015, especially the Indian shipbreaking industry has experienced a major downturn regarding the number of vessels dismantled. The reasons for this are claimed to be the depreciation of the rupee combined with steel imports from China sold below the price of recycled steel. During the summer period, the impact has been felt in Alang where the number of active yards fell to below 50 from more than 100 in 2014, according to the Ship Recycling Industries Association India.

31 ships sold to South Asia in the last quarter of 2015 were owned by EU owners. German owners topped the list with 14 ships sold to South Asian breakers. Greek owners followed with 10 ships. Whilst **German owners** sold mostly to Indian yards, **Greek owners** preferred Bangladesh. Also **South Korean** and **Japanese owners** rank high on the list – both selling almost exclusively to Bangladesh where conditions are known to be the worst when comparing all three South Asian shipbreaking countries.

Greek **Euroseas Limited** and German **Norddeutsche Vermögen Holding** top the list of worst dumpers this quarter. Both companies have previously been criticised by the NGO Shipbreaking Platform for their substandard end-of-life management. Especially **Norddeutsche Vermögen Holding** is aware of the dangers workers are exposed to and the pollution caused by substandard beach breaking as these were key reasons why their ship the **NORTHERN VITALITY** was not allowed to leave the port of Wilhelmshaven, Germany, in 2012 after it had been revealed that the ship had been sold for illegal scrapping in India. Norddeutsche Vermögen Holding operated the **NORTHERN VITALITY** in the Mediterranean up until mid 2015 – and, despite awareness of the poor conditions at the South Asian shipbreaking yards, re-named **VITA**, the ship ended up in Alang in December.

Whilst grey- and black listed flags, such as **Comoros** and **St Kitts and Nevis**, continue to be particularly popular for end-of-life ships, also ships registered under the flags of **Cyprus**, **Malta** and **Greece** ended up on the South Asian beaches. A new EU Regulation on ship recycling will prohibit the dismantling of EU flagged ships in substandard yards. However, by simply flagging out to a non-EU flag before selling the ship for scrap, ship owners can easily circumvent the EU laws. 29 ships, including two German flagged ships, changed their flag just prior to hitting the beach.

150 ships broken worldwide October-December 2015



ACCIDENTS

AT LEAST 16 KILLED IN SHIPBREAKING YARDS IN BANGLADESH LAST YEAR, 22 SEVERELY INJURED

In 2015, at least 16 shipbreaking workers were killed in accidents in the yards of Chittagong according to documentation by the NGO Shipbreaking Platform. Moreover, 22 workers were severely injured while working in shipbreaking yards. The Platform estimates that the factual death toll is higher, as human rights defenders, trade unions and journalists are not able to document all accidents, and the yard owners seek to conceal accidents and injuries. The figures published are based on findings by member organisations, other NGOs, trade unions, and journalists.

The fatal and severe accidents are due to the lack of proper infrastructure and procedures and can in most cases be categorised under one of the following three most common types of accidents:

1.) **Workers struck by falling iron rods and steel plates:** the yards use the gravity method to offload cut-off ship parts, that is, plates and other parts of the ship are toppled down from the vessel and crash onto the sand or water. Cut parts are not moved in a controlled way by cranes. The lack of proper technology to safely move parts and the absence of proper safety procedures, such as clearing areas at risk before moving parts from a ship, results in fatal accidents. Often, workers struck by falling steel parts, die immediately on the spot.

2.) **Workers fall down from great height:** the shipbreaking workers work on top of the vessels and inside tanks and the hull. They are not provided with safety harnesses and as a consequence, a fall is very often fatal.

3.) **Cylinder blasts:** in 2015, cylinder blasts caused most deaths and serious injuries in the yards. The workers use gas cylinders for the blow torches necessary to cut down the vessels. The cylinders are not handled in a safe manner, the infrastructure to prevent accidents is not available, and workers and foremen are not properly trained to handle the cylinders safely. When cylinders explode, workers suffer from severe burn wounds often leaving their whole body charred. At least seven workers were killed in two major blasts in 2015.

4.) **Fires and explosions inside the vessels:** while cutting down the vessel with blow torches, oil residues or gases inside the hull, including the machinery rooms, catch fire and cause explosions. Workers then get trapped inside the vessels, suffocate or suffer from severe and fatal injuries. Fire fighters can not reach the vessels beached on the tidal mudflat and it is up to fellow workers to try.

and save injured workers, often risking their own lives in doing so.

5.) **Accidents with vehicles:** shipbreaking workers also got killed last year in accidents with vehicles. The shipbreaking yards are congested and work areas are not safely separated from each other. As a consequence, workers can easily get struck by vehicles in the yard.

Amongst the yards with the worst accident records in 2015 were Shagorika, S.N. Corporation and Shitol, in Bangladesh. At Shagorika, three workers suffered from severe burn wounds on 14 September 2015 when a gas cylinder exploded. In June, 27 year old worker Nuruddin was killed by a fire at the same yard. Shitol is responsible for the most fatal single accident in shipbreaking yards in 2015, when four workers were killed and four more severely injured in another cylinder blast in September. The Platform has earlier reported the accident ([link](#)). S.N. Corporation did nothing to prevent a severe explosion and fire in August during which one worker died and three more suffered severe injuries. In October, another worker was killed at S.N. Corporation when he got struck by a falling steel plate.



Representatives of Platform member organization BILS visit workers severely injured at Shitol Enterprise at the Chittagong Medical College Hospital.



22 year old Selim is one of the victims of S.N. Corporation. While another worker, Elias, was killed there in August, and three others suffered severe injuries, Selim died when he was struck by a falling steel part on 26 October 2015.

THE FIRST DEAD WORKER OF 2016: ALI AKKAS STRUCK BY IRON BAR

Shortly after the start of the New Year, the NGO Shipbreaking Platform already recorded the first fatal accident in a Bangladeshi shipbreaking yard: 50 year old Ali Akkas died on the spot on 19 January when he was hit by a falling iron bar. Ali was killed at Asadi Steel Shipyard, a yard owned by Mr Liakat Ali Chowdhury who runs another two shipbreaking yards in Chittagong. The yard is member of the Bangladesh Ship Breakers Association, BSBA, which has misleadingly claimed for many years that shipbreaking in Bangladesh has become safe for workers. Akkas' life was lost while scrapping the FELICIA, a bulk carrier last owned by Greek ship owner Coronis. The [press has reported the case](#).



INDIA: GMB DOES NOT DISCLOSE INFORMATION ON ACCIDENTS

In India, the Gujarat Maritime Board (GMB) is meant to keep a record of all accidents; however, the GMB does not publicly share its information on accidents and injuries.

The NGO Shipbreaking Platform has requested information regarding accidents in 2015; however, the GMB has so far not shared any information on accidents.

DEVELOPMENTS

TWO ADDITIONAL INDIAN SHIPBREAKING YARDS RECEIVED SOC FOR THE HONG KONG CONVENTION

In December 2015, two additional Indian shipbreaking yards located in Alang received a Statement of Compliance (SoC) with the Hong Kong Convention from ClassNK. After Kalthia and Priya Blue, also Shree Ram and Leela shipbreaking yards obtained the SoC following cooperation with the Japanese classification society. ClassNK holds that the four Indian yards have carried out substantial improvements and now comply with the requirements of the HKC. According to ClassNK the yards have developed a Ship Recycling Facility Plan in line with the HKC and operated in line with this plan during on-site inspections conducted by ClassNK.

Whilst the cementing of the secondary cutting zones, the installation of a drainage system, and improved sorting of hazardous materials are welcomed developments at these yards, serious concerns remain related to the dropping of blocks by the use of gravity in the still unprotected intertidal zone. Workers' rights issues, including the availability of proper housing facilities; the right to join trade unions; and proper working contracts, were not subject to the Class NK certification. Moreover, proper downstream waste management, including the destruction of PCBs in an adequate facility and the prohibition to sell asbestos-containing materials, also remains outside the scope of the Hong Kong Convention. The real test for sustainable ship recycling is whether a

yard makes it on the upcoming EU list of approved ship recycling facilities. The European requirements cover all areas of concern including downstream waste management and workers' rights.

INDIAN SHIPBREAKING YARDS SUFFER FROM COMPETITION ON STEEL MARKET

In the second half of 2015, the Indian shipbreaking industry experienced a significant downturn in terms of tonnage scrapped.

The finger of blame was pointed at China, which exported steel to India for a price lower than steel recovered from local ship recycling. In Alang, less than 50 shipbreaking yards out of more than 100 yards are still active, according to the Ship Recycling Industries Association India (SRIA). According to some yard owners, the workforce in Alang has been reduced to less than 5,000 workers.

INTERNATIONAL TRADE UNION MEETING IN CHITTAGONG

Leading trade unions from the shipbuilding and shipbreaking industries affiliated to IndustriALL met in Chittagong, Bangladesh on 1-2 November in light of their global campaign initially launched in May last year to clean up ship breaking. NGO Shipbreaking Platform member organisation BILS' representative and Bangladeshi trade unionist **Nazim Uddin** told the meeting:

"In our country the employers believe in 100 per cent profit, but they believe in zero per cent safety compliance. Workers are brought to the shipyard by contractors from rural northern Bangladesh and the government often delays union registration. Shipbreaking workers have miserable conditions. Workers are paid daily, no work - no pay. They receive no paid leave at all, no bonus, no gratuity, and no service guarantee. Eight workers have been killed here in the last two months. Without a voice in the workplace, daily abuses go unchallenged."

While official figures on accidents at the shipbreaking yards are lacking, unions in the region expect that hundreds are killed or seriously injured every year at work in Bangladesh, Pakistan and India. In Bangladesh, the real figure could be several times higher than what is reported, according to the unions. IndustriALL's affiliated Pakistan-based NTUF reports up to 19 deaths at the Gadani yards per year, but the real figure is feared to be

much higher. There is no functioning hospital in Gadani for 50 km. NTUF also raised concerns that workers are dismissed if they join a union.

IndustriALL published in December a Special Report on the shipbreaking conditions in South Asia. According to the report, workers in the ship recycling industry face dangerous and precarious working conditions, with very little training, lack of safety equipment and medical services, and they receive very low wages.

IndustriALL Global Union is campaigning to support organising the workers at the South Asia yards and is pushing governments in countries with major shipping industries to take responsibility for workers' safety.

[Link to IndustriALL campaign to clean up shipbreaking.](#)

[Link to IndustriALL Special report - Cleaning up shipbreaking the world's most dangerous job.](#)

OUR INITIATIVES

BELA PLEADS IN THE LABOUR COURT FOR FAMILIES OF 16 DEAD SHIPBREAKING WORKERS AND SUCCEEDS IN OBTAINING COMPENSATION FOR COSTLY MEDICAL TREATMENT

In 2015, Platform member organisation Bangladesh Environmental Lawyers Association (BELA) has supported the family members of all 16 workers whose deaths in the shipbreaking yards we have recorded. The lawyers from BELA helped the families to obtain the compensation payment of 100,000 BDT they are legally entitled to – a little bit more than 1100 Euro to make up for a lost life, a lost father or husband, a lost breadwinner. Due to the legal aid offered by BELA to family members of deceased workers, they now usually manage to obtain compensation. However, in cases of severe injuries, most yard owners continue to reject their responsibility to cover costs for medical treatment. In the case of Edris, a young worker who lost a leg while dismantling the British-owned vessel "Eurus London" (beneficial owner: Zodiac), BELA managed to obtain a payment of 125,000 BDT. On the one hand, this is a victory for BELA and Edris, as injured workers are usually left behind with no help or financial support from the employers – still, Edris claims a sum of 500,000 BDT, as he is unable to continue to work as a labourer and needs to build up a new livelihood. BELA remains on the side of the workers' plea for justice in the Labour Courts in 2016.

OSHE FOUNDATION RELEASES VIDEO ON LABOUR RIGHTS IN SHIPBREAKING YARDS

The Occupational Safety, Health and Environment



Foundation (OSHE), local member organisation of the Platform in Bangladesh, released a Bengali-language short [documentary](#) aimed at raising awareness about the labour rights and environmental problems of shipbreaking in Chittagong, Bangladesh. The realisation of the video was supported by the Platform. The documentary shows that more than 200 accidents occurred at the shipbreaking yards in the last 10 years, leading to over 140 deaths. Common accidents documented by OSHE include explosions, falls from heights and crushing from falling steel plates. Statistically, accidents at the Bangladeshi ship breaking yards take at least 20 lives per year. Many more workers die unrecorded due to diseases caused by exposure to toxic fumes and asbestos. Despite strong international criticism of shipbreaking conditions in Bangladesh and also condemnation by the national courts, safety standards for workers, as well as pollution controls, have not undergone the necessary improvements. The video also raises the issue of child labour, which is still common practice in Bangladeshi yards. Moreover, OSHE has also supported the work of local journalists, which has resulted in several Bengali-language TV and print media reports.

PLATFORM CALLS ON ITALIAN SHIP OWNERS TO IMMEDIATELY STOP BEACHING OF OLD VESSELS

In November 2015, the NGO Shipbreaking Platform, denounced Italian shipping companies Grimaldi Group, Ignazio Messina and Vittorio Bogazzi & Figli for their poor

shipbreaking practices and called upon them to take necessary actions to ensure the sustainable recycling of their end-of-life fleet as a matter of urgency. The Platform sent [letters](#) to the Italian ship owners and the Italian Shipowners' Association, inviting them to initiate a constructive dialogue with the NGO. Whilst an increasing number of ship owners do not want to be associated with dangerous and polluting practices, Grimaldi Group, Ignazio Messina and Vittorio Bogazzi & Figli have continued to sell their vessels to shipbreaking yards that are globally acknowledged not to respect basic human rights and environmental protection standards.

According to data collected by the NGO Shipbreaking Platform, the three Italian companies have since 2009 sold fifty-four end-of-life ships to South Asian beaching yards for substandard breaking.

In the letter sent to the Italian ship owners, the Platform reminds the companies of their obligations under European waste laws as well as the standards for safe and green ship recycling as set in the new European Regulation on Ship Recycling. Based in the EU, Grimaldi Group, Ignazio Messina and Vittorio Bogazzi & Figli are asked to adopt a ship recycling policy that is in line with EU standards and legislation. The Platform will seek to meet the ship-owning companies to discuss sustainable alternatives to substandard beaching yards.

AMERICAN SHIP BEACHED IN ALANG DESPITE OWNER'S DEMAND FOR RECYCLING IN THE US

On 8 January 2016 the HORIZON TRADER, a 42 year-old U.S. built and operated container ship, was beached for breaking in Alang, India. It is suspected that the dead

vessel is constructed with many tons of hazardous materials, making its final voyage from the U.S. to India, one of illegal waste trafficking under the Basel Convention. The Convention controls the transboundary movements of hazardous wastes and their disposal. Moreover, the vessel is likely to contain PCBs, which makes the sale an illegal export of PCBs from the US. The HORIZON TRADER first gained notoriety in September 2015, when All Star Metals, a U.S. ship recycler based in Brownsville, Texas, who was thought to have scrapped the vessel themselves at their ship recycling facility, resold the ship in 2015 for breaking in India without the knowledge or consent of Matson, Inc., the ship's former owner. Matson sold the vessel to All Star with the expectation that it would be recycled at their facility in the U.S., but Platform member organization Basel Action Network (BAN) discovered otherwise. Matson has since written BAN to assure the watchdog organization that they would be more vigilant in the future to uphold a policy of not allowing the export of their old ships to South Asian beaches.

The TRADER likely contains PCBs, asbestos and other hazardous materials that are commonly found in vessels built in the U.S. in the early 1970's. The hazardous waste management costs would have been significant in the U.S., perhaps even higher than the value of scrap metals contained in the vessel. Hazardous waste management costs are not an important consideration at the beach breaking facilities in India, in particular for PCBs, as this waste stream is not treated or disposed of with great care, hence significant savings. Moreover, asbestos-containing material can be resold on the local market in India.

FURTHER READING

UNITED STATES OF AMERICA: The Institute for Global Labor Rights recently published a [Report](#) that focuses on deaths, injuries and environmental pollution in Bangladesh's shipbreaking yards. In order to support Bangladesh's shipbreaking workers, the Institute invites the public to [sign a letter](#) that will be delivered to United States Trade Representative Michael Froman in the end of January 2016.

ITALY: *L'Espresso*, a leading Italian news magazine, published an article about the controversial shipbreaking practices of three Italian shipping companies that were targeted by the Platform.

NETHERLANDS: The Dutch magazine *World Maritime News* published an article on the latest accident occurred in a shipbreaking yard in Bangladesh in January 2016.

BANGLADESH: Academic and scientific experts from China, Norway and Bangladesh recently issued a [study on the high concentrations of organic contaminants in air from shipbreaking activities in Chittagong](#). The aim of the study was to measure the concentrations of organic contaminants in the air in the city of Chittagong, including the surrounding ship breaking areas using passive air samplers. The researchers found out that ship breaking activities likely act as atmospheric emission sources of PCBs, PAHs, and HCB, thus adding to the international emphasis on responsible recycling of ships.

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