



SOUTH ASIA QUARTERLY UPDATE

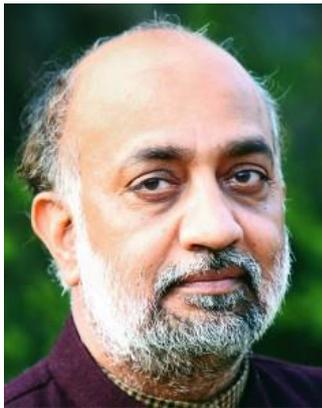
Update on shipbreaking in South Asia from
the NGO Shipbreaking Platform

30 July 2015 | #6

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. 213 large commercial vessels were sold for breaking in the second quarter of 2015, including 136 end-of-life ships that were beached in South Asia, most of which ended up in Alang or Mumbai in India (52 ships), Chittagong in Bangladesh (47 ships), and Gadani in Pakistan (37 ships).

OPINION FROM SOUTH ASIA:

In India, the world's major shipbreaking country, a long legal battle has been fought in the courts in order to enforce national and international requirements. The industry still does not comply with all directions given by the Supreme Court, explains advocate Sanjay Parikh, who has been pleading the case at India's highest court.



"In the wake of the dumping of hazardous waste by developed countries and in the absence of any mechanism to dispose of the hazardous waste in an environmentally sound manner, litigation in India was initiated in 1995. The Supreme Court gave its first order on 14 March 2003 asking for the decontamination of all ships before coming to India, prior information given by the exporting country and subsequently prior informed consent given by India before any import, and the active participation of India in the Basel Convention to ensure the decontamination of end-of-life vessels.

When the S.S. Norway (Blue Lady), a passenger ship, entered Indian territorial waters, its anchoring was challenged on the grounds that the import did not conform with the order. The Court passed a second order on 6 September 2007 and directed that the Government of India should formulate a comprehensive code for shipbreaking. The final judgment was only given on 30 July 2012. The Supreme Court again asked for full compliance with the Basel Convention before a vessel is allowed to enter Indian territorial waters.

Despite the existing set of laws, in line with the Basel Convention and the directions of the Supreme Court, we have witnessed that the procedures introduced under the Basel Convention have not been followed and that the directions given by the Supreme Court have been violated. Moreover, workers have been dying in accidents. Both the 2010 report of the UN Special Rapporteur on Toxics and Human Rights as well as the report prepared by the Tata Institute of Social Sciences in 2014 in particular highlight health and safety hazards.

In India, there is a clear legal regime governing shipbreaking. Two things have to be done now: (i) we have to analyse non-compliance with the law and make sure this is corrected, and (ii) we have to analyse what is further needed in order to guarantee adequate working conditions. In this context, the Ship Recycling Regulation laid down by the European Union should be compared to the Indian law, the directions of the Supreme Court and the shipbreaking code to make sure that the industry in India can live up to the international standard."

Sanjay Parikh
Supreme Court Advocate

OFF THE BEACH !

Out of 213 vessels sold for breaking during the second quarter of 2015, more than half (136 ships) ended their operational life on the beaches of South Asia, according to the data collected and analysed by the NGO Shipbreaking Platform (52 ships in India; 47 ships in Bangladesh; and 37 ships in Pakistan).

Forty-five (45) of these ships were owned by European ship owners, including EFTA owners – two from Norway and one from Switzerland. Nearly two out of three EU owners who chose to have their end-of-life ships beached are based in Greece. Greek owners alone sold 27 ships for beaching this quarter compared to 30 ships last quarter. Ranking second, German owners sold 4 ships to South Asian breakers this quarter, which means that so far 8 German ships have been beached this year.

After reviewing its ship recycling policy in 2014, German ship-owning company **Hapag-Lloyd** has continued selling its end-of-life ships to comparatively cleaner and safer yards: two ships were sold to Turkey (the “Heidelberg Express” and the “Livorno Express”) and a third ship (the “Kiel Express”) to a Chinese recycling yard.

No Greek shipping company has sold any ship to other yards than those operating on the South Asian beaches, which demonstrates Greek ship owners’ clear lack of interest for the potential impacts of their decisions for unprotected workers and the environment. Amongst the worst ship dumpers, Greek company **Enterprises Shipping & Trading S.A.** sold three ships to Pakistan and one to India; **Star Bulk Carriers Corporation** sold two ships (1 to India and 1 to Bangladesh); **the Angelicoussis Group** sold two ships to Pakistan; and **the Frangos-Moundreas Group**

sold two ships to Bangladesh, where the world’s worst shipbreaking yards are located.

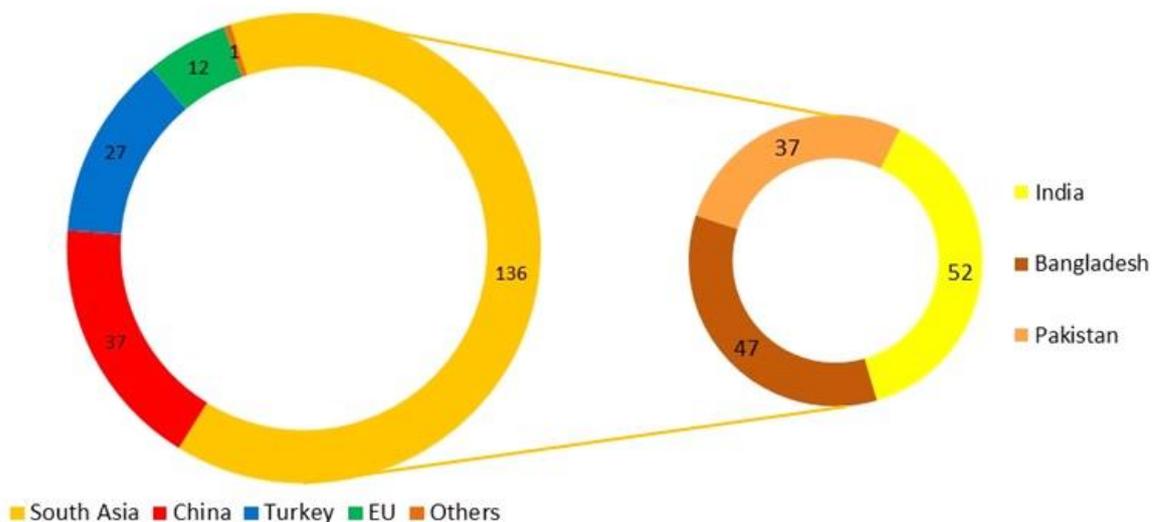
Other European shipping companies also chose profit above the environment and workers’ rights: **Dancore NV**, a Belgian company (1 ship to India); **Lemissoler Shipping Group** from Cyprus (2 ships to Bangladesh); **Irish Mainport Holdings** (1 ship to India); **Polsteam** from Poland (1 ship to Bangladesh); **Empresa Naviera Elcano S.A.** from Spain (1 ship to India); and four British companies amongst which **ArcelorMittal Shipping Limited**, which sold one ship to Pakistan.

Despite the new EU Ship Recycling Regulation, which will out-rule the use of substandard beaching yards to dismantle EU-flagged vessels and which will soon become applicable, **ships registered under the flags of Malta (6), Cyprus (2), and Greece (1), still hit substandard yards operating on beaches.**

The Angelicoussis group swapped the Greek flag of its two ships just days before they were beached, most probably when a cash buyer registered the ship for the last voyage. They were **replaced by flags of convenience typical for last voyages: Comoros and Kiribati.** Flags of convenience (FOCs), which are grey- or black-listed by the Paris Memorandum of Understanding for their weak enforcement of international maritime law, such as Saint Kitts-Nevis, Comoros and Tuvalu, are excessively popular flags for the end-of-life ships broken in South Asia. These flags are hardly used during the operational life of a vessel.

Chinese ship owners sold 20 ships to Chinese yards, but another 10 ships owned by Chinese companies were sold to South Asian yards. Moreover, two Turkish companies sold their ships to South Asian yards instead of having them broken locally at Aliaga.

213 ships broken worldwide Apr-June 2015



ACCIDENTS

AT LEAST SIX BANGLADESHI SHIPBREAKING WORKERS KILLED IN SECOND QUARTER, MANY MORE INJURED

Between April and July 2015, the Platform documented at least six fatal accidents in the shipbreaking yards in Bangladesh. It recorded three severe injuries in these three months.

The worker Enamul (40) died at Ferdous shipbreaking yard when he fell from great height. As usual, the worker did not wear a safety harness to prevent accidents – the yards do not provide the necessary safety equipment. Shortly after Enamul's death, two more workers were injured at the same yard. Also Showkat and Nurul fell down while working on a vessel and suffered from severe injuries.

In the month of July only, at least five workers died in various accidents. 22-year-old Saddem fell to his death from a great height at Crystal shipbreaking yard. Nuruddin (27) died in a fire at Shagorika shipbreaking yard. Robiul died at Siko shipbreaking yard – the body was quickly taken to his home village and buried. The details of the accidents are thus unknown. Another young man of 23, Borhan, died at a depot run by Ziri Subedar shipbreaking where he was run over by a vehicle. Ali Hossein, also only 22 years old, was struck down by a falling steel plate while working at Jhuma Enterprises.

ZIRI SUBEDAR GROUP – REGULAR ACCIDENTS, NO IMPROVEMENTS

Certain shipbreaking yards are notorious for fatal and severe accidents. Two of them are **Ziri Subedar and**

Ferdous Steel, names which appear again and again on the lists documenting the dead and the injured (see also Edris' case below). Both companies belong to the Ziri Subedar Group, which comprises shipbreaking yards and steel re-rolling mills and is owned by Lokman Hakim. Ferdous Steel is run by his son, Ferdous Wahid. Also **National Geographic mentioned** a fatal accident at Ziri Subedar in its 2014 report about shipbreaking. Already in 2008, Bangladeshi photographer Shahidul Alam portrayed the case of Jahangir Alam, a young worker, who died at the Chittagong Medical College hospital after an accident at Ziri Subedar. For his **photo report on shipbreaking** Alam discussed the deaths with Lokman Hakim. He wrote:

We contact Al Hajj Lokman Hakim, the owner of Ziri Subedar Yard. Mr. Hakim is angry. "They have accidents because of their own stupidity. Sometimes they have minor injuries, and we have to pay for it. If these foreigners care so much about our workers why don't they build a new dock for us?" Cursing everyone in sight as we go down the lift of his highrise building, the Lokman Tower, Mr. Hakim drives off in his shiny car. A 5.5 million Taka car [approx.; 60.000 EUR] according to our driver.

Lokman Hakim's arguments are very common amongst the yards owners. Instead of taking professional responsibility for occupational health and safety provisions, they believe that accidents, even deaths, are the workers' fault. They do not question the lack of safety gear, proper training and safe procedures – which are all the employer's responsibility. The Chittagong families involved in shipbreaking have become very rich and they show it off with villas and towers, big cars or even helicopters. But there is no money to pay for basic medical treatment to save a young man's life.

SEVERELY INJURED WHILE SCRAPPING A BRITISH-OWNED VESSEL – WORKER EDRIS RECEIVES NO MEDICAL SUPPORT FROM THE YARD OWNER

On 11 April 2015, the worker Edris was severely injured while dismantling the "Eurus London" (IMO 9015321) on the beaches of Chittagong at Ferdous Steel yard. The worker was hit by sharp steel parts from the propeller of the ship. He suffered a life-threatening cut to his lower left leg. Edris was taken to Chittagong Medical College Hospital, where he did not receive the urgently needed surgical treatment. The Platform's local coordinator Muhammed Ali Shahin reported after a visit to the hospital: "Edris is laying on the floor of the hospital and is waiting for a major operation. It is three days since this accident, but he has still not received any major treatment. He is also injured severely on his back, as well as in his eyes". The owner of the yard had him sent to the hospital and paid for some medicine, but the poor worker was not able to afford his operation. His employer did not fulfill his legal duty to cover the necessary treatment.

The Platform and its local members used all contacts with medical staff as well as to local business men to support Edris and to ensure that his life could be saved. After the Platform informed PHP, a major industrial group in Bangladesh also involved in shipbreaking in Bangladesh, the hospital finally arranged for Edris' treatment. The Platform was happy to hear that the young man survived his operation and could recover afterwards; however, it is sad that injured workers in life-threatening conditions only receive treatment once the NGOs report about the case and put pressure on the employers.



The “Eurus London” was owned by the UK-based ship-owning company **Zodiac Maritime**, formerly Sammy Ofer Group. The Platform contacted the company after the accident, informed them about Edris’ case and offered a constructive dialogue about clean and safe ship recycling. Zodiac, whose end-of-life vessels have been involved in severe accidents in Bangladesh before, never responded.

Edris, after his operation at Chittagong Medical College Hospital

HAPPY ENDING FOR 15-YEAR-OLD EBRAHIM – THANKS TO PRIVATE DONATIONS FROM TV-VIEWERS IN GERMANY, SWITZERLAND AND AUSTRIA

In its **South Asia Quarterly Update #4**, published in January this year, the Platform introduced Ebrahim, a 15 year old boy who was critically injured in the shipbreaking yards in Bangladesh. While working at ARL Group yard, the teenager was struck by a falling steel plate which crushed his leg. His family could not afford the boy’s operation, and the yard owner, who has a legal obligation to cover for necessary medical expenses after a work-related accident, did not respond. It is illegal under Bangladesh’s Labour Law to employ children and young workers in hazardous industries such as shipbreaking. If a child is injured in a shipbreaking yard, nobody wants to be responsible – the factory owner would have to admit that he has broken the law. After receiving some initial treatment and a bandage, the severely injured boy was sent home. Platform staff member Shahin found the boy laying in his family’s hut unable to walk. He had no hope of recovering without an operation.

After German international channel **DW** reported **Ebrahim’s case**, and thousands of people saw a **documentary broadcasted on German state TV ZDF** as well as the



on 3SAT in Switzerland and Austria, TV viewers were willing to donate for the boy’s operation. Platform Coordinator Shahin organised for Ebrahim’s stay at the hospital and transferred the donations in order to cover the treatment. In April, half a year after the boy’s accidents, he finally received the operation needed to save his leg. A month later, Shahin went to Ebrahim in his home village and the boy was busy walking around with crutches. His family is very grateful for the support received from Europe. The story has a happy ending for Ebrahim – however, not every injured worker receives donations, and the employers must be held accountable for work-related accidents.

Ebrahim, still on crutches, but walking again in one of his village’s streets.

DEVELOPMENTS

OIL RIG DISMANTLED ON A BEACH IN BANGLADESH – MAERSK GOES FOR RESPONSIBLE RECYCLING

In May, the Platform was informed by one of its local member organisations that an oil rig had arrived at anchorage off the Chittagong coast for dismantling. The oil rig had been sold to Siri Zubedar, a yard with a particular high accident rate (see above).

The rig called “Nobel Paul Wolff (IMO 8756277) was owned by the Nobel Corporation, a leading oil rig operator based both in the UK and the US. Nobel has a sophisticated Code of Conduct, which does not mention oil rig demolition but a broad range of issues including environmental stewardship. The Platform has tried to contact Nobel – also via a telephone number offered by the company to state complaints about the company’s conduct. It did not receive a call back.

In July, Maersk Drilling, a subsidiary of the Maersk Group, sold the oil rig “Maersk Endurer” for demolition to China. The rig is being dismantled at Zhoushan Changhong International Ship Recycling, one of the leading ship recycling yards in China.



The “Nobel Paul Wolff” arrives at the shipbreaking yards of Chittagong

PHP PLEDGES TO TAKE CARE OF ALL WORKERS INJURED: PLATFORM STILL WAITING FOR REACTION TO LIST

In March, Platform Director Patrizia Heidegger participated in the Tradewinds Ship Recycling Forum in Singapore, where many shipbreakers from South Asia and their associations were present. Patrizia provided information on recent deaths and severe accidents in the shipbreaking yards and revealed that injured workers in Bangladesh do usually not receive any help from the yard owners to cover for their medical treatment. Severely injured boys and men are deemed to suffer at their families’ homes rather than receiving urgently needed operations. The shipbreakers usually deny accidents and deaths when speaking in public fora.

After the conference, the Platform was contacted by PHP, one of the leading shipbreaking yards in Bangladesh. The large industrial conglomerate promised to take care of the injured workers found by the Platform and its members from its own funds.

The Platform provided PHP with a list of workers injured in 2014 who were still waiting to receive treatment. It also provided the details of workers who have become unable to work after an accident and of children in despair whose father had died in a shipbreaking yard. PHP intervened in the case of Edris (see case study above) whose situation the Platform had brought to their attention. However, four months later, none of the other victims listed by the Platform has received any treatment or financial support – despite the promises.

Probably as a consequence of the Platform’s new revelation of accidents and deaths including precise case stories, the Bangladesh Shipbreakers Association (BSBA) again stated publicly in July that it would make the hospital built by the association operational before the end of the year. The BSBA hospital was built many years ago, but has remained an empty, shiny glass building. The different yard owners have so far been unwilling to agree on sharing the costs in order to provide proper medical services to the shipbreaking workers and the local community. The Platform will follow up on the renewed promise to finally open the hospital and at least make sure that in the future injured workers will receive proper treatment.

BD MINISTRY OF INDUSTRY PRESENTS DRAFT LAW – WILL THE RULE OF LAW FINALLY BE INTRODUCED TO THE SHIPBREAKING INDUSTRY?

The Government of Bangladesh has approved of a draft Ship Recycling Law on 28 July. The move came as a surprise as civil society stakeholders, who had been consulted by the Government several years ago after the Supreme Court order on the shipbreaking industry, had not been informed or consulted on the actual draft. The draft law contains some promising aspects such as heavy fines and even imprisonment in case of breach of its provisions, as well as the foundation of a Ship Recycling Board to oversee the industry’s activities. However, it remains to be seen whether the new draft complies with the Supreme Court’s orders, is able to tackle the issue of most hazardous forms of child labour (an issue negated by the Ministry of Industries), comprises clear provision for the management of hazardous waste (for which no disposal and destruction facilities exist until today), and sets clear requirements and restrictions for an industry still operating in the intertidal mudflats. The new law will show whether the Government is serious about bringing its industries up to international standards or just intends to cement the status quo.

MAKE IN INDIA CAMPAIGN – WORKING CONDITIONS FOR THE 21ST CENTURY?

The Indian Central Government under Prime Minister Modi launched the **Make in India** campaign in September 2014 in order to boost manufacturing in India, create jobs and enhance skills. The campaign also comprises higher standards and less environmental impact. Ecologists were glad to hear Modi's slogan "zero defect, zero effect", i.e. high quality products with minimal environmental impact, as the **Times of India** reported.

However, the media also reminded Modi's government that 90% of the Indian work force are still unorganised day labourers. The **Vancouver Sun** in an article on "**Make in India**" wrote: "At Alang, the world's biggest shipbreaking yard in western India's Gujarat state, workers earn about \$4 daily standing in 100 degrees Fahrenheit heat for 12 hours to cut vessels. Migrants from the heartland's poorest states, the labourers are often unaware of their rights, but very aware of their risks — death, which often eliminates a family's sole bread winner." Thus, the Indian Government will have to prove that it can fill the catchy slogans and state-of-the-art campaign designed by an American PR firm with real improvements for India's millions of workers.

LAUNCHING EVENT OF IMO / NORAD PROJECT

In April the International Maritime Organisation finally launched its long-awaited project planned with the Norwegian development agency NORAD to improve the working conditions in the Bangladesh shipbreaking yards and minimise the impact of the industry on the

environment. This first phase of the project has been baptised "Safe and Environmentally Sound Ship Recycling in Bangladesh – Phase I".

As reported by the **Maritime Executive**, it "aims at improving standards and stability within the country's ship recycling industry and consists of five different work packages, including studies on economic and environmental impacts, the management of hazardous materials and wastes, recommendations on strengthening the Government's One-Stop Service, a review and upgrade of existing training courses, and the development of a detailed project document for a possible follow-up project to implement the recommendations of phase I." The project is being overseen by the Marine Environment Division of the IMO in partnership with the Ministry of Industries of Bangladesh and includes collaborative work with the Secretariat of the Basel, Rotterdam and Stockholm Conventions, and the Norwegian Agency for Development Cooperation."

The NGO Shipbreaking Platform has been keeping a critical eye on the project. Board and staff members haven been in regular exchange with NORAD and the IMO arguing that any such project must encompass all issues caused by shipbreaking in Chittagong, and not be limited to cosmetic changes such as the organisation of workers training.

Read [our press release from 13 May 2011 here](#).

Find [our letter to NORAD](#) dated 27 July 2014 [here](#).

Read our [letter to the IMO's Secretary General](#) dated 26 January 2015 and [his answer](#).

OUR INITIATIVES

PETITION FILED IN PAKISTAN

In May, Platform member the Centre for Rule of Law Islamabad - Pakistan (CRoLIP) handed in a petition under Section 2 of the Balochistan Environmental Protection Act. The Pakistani shipbreaking yards are located in Gadani, a small village in the province of Balochistan. The petition asks for the enforcement of the fundamental rights of the people of Pakistan under Article 9 of the Constitution. It also asks the Environment Protection Agency to constitute a commission comprising of relevant experts in order to investigate the activities of the industry and its environmental and health hazards with the aim to cease all shipbreaking activities which are being carried out in contravention of the principles enshrined in Balochistan Environmental Protection Act, the Basel Convention (on which the former is based) and labour law.

EVENTS IN QUETTA

On 13 May, the Platform's two Pakistani member organisations, the Centre for Rule of Law Islamabad - Pakistan (CRoLIP) and the Sustainable Development Policy Institute (SDPI), organised a meeting in Quetta, the capital of Balochistan where the shipbreaking yards are located. The session was attended by CRoLIP President Muhammad Majid Bashir, Worldwide Fund for Nature Pakistan (WWF-P) President Ahmer Bilal Soofi, SDPI Executive Director Dr Abid Suleri, and International Labour Organisation representatives.

As reported by the **Express Tribune**, while talking about the international framework of ship breaking, Majid Bashir stressed the need for compliance and said owners need to keep themselves abreast with latest legal advancements enforced by EU.

Ahmer Bilal Soofi showed concern over environmental issues affecting marine life in Gadani. He said WWF-P will also take part in the campaign of CROLIP to build a green recycling industry. Abid Suleri argued that under the EU regulation, Pakistan has to take prompt measures.

In January, the NGO Shipbreaking Platform **published its annual list** of ship owners who sold their ships for breaking last year. **110 ships were beached in Gadani, Pakistan in 2014.** Out of a total of 1026 ships dismantled globally in 2014, 641 – representing 74% of the total gross tonnage (GT) scrapped – were sold to substandard facilities in India, Pakistan and Bangladesh.

WHAT ELSE ?

PUBLICATION OF OUR BRIEFING PAPER ABOUT FLAGS OF CONVENIENCE AND SHIPBREAKING

The Platform published in April a briefing paper titled *“What a difference a flag makes – Why ship owners’ responsibility to ensure sustainable ship recycling needs to go beyond flag state jurisdiction”*.



The briefing paper raises concerns regarding new legislation meant to regulate ship recycling practices, in particular the European Union Ship Recycling Regulation and the International Maritime Organisation’s Hong Kong Convention, and argues that legislation mainly based on flag state jurisdiction will neither be able to solve the problems of substandard shipbreaking nor enforce the polluter pays principle on ship owners.

The analysis of the link between flags of convenience (FOCs), in particular “end-of-life flags” and substandard shipbreaking practices, shows that FOCs are likely to undermine the implementation of the polluter pays principle by making it easy for ship owners to circumvent legislation by flagging-out to a non-party or a non-compliant flag. In conclusion, the briefing paper asserts that solutions urgently needed to ensure sustainable ship recycling must go beyond flag state jurisdiction in order to close the loopholes created by the FOC system.

Currently, most ship owners circumvent existing legislation meant to protect in particular developing countries from hazardous wastes present within the structure of end-of-life vessels, and are therefore not held accountable for polluting and dangerous shipbreaking practices. Only a small number of ship-owning companies have taken voluntary measures to ensure the clean and safe recycling of their obsolete vessels. For the sake of higher profits, most ship owners sell their end-of-life vessels with the help of a cash buyer to a shipbreaking yard that lacks proper infrastructure and safe working conditions. It is a choice of profits at the cost of people and the environment.

The European Union has a particular responsibility to provide solutions to the shipbreaking problem as around 40% of the world’s commercial fleet is owned by European companies and one third of the tonnage broken every year in substandard yards in South Asia was sold by European companies. The EU is thus the single largest market sending end-of-life ships for dirty and dangerous shipbreaking. Hazardous waste usually follows the path of least resistance – and backed by noncompliant FOCs, ship owners will be able to continue choosing profits at the cost of people and the environment unless other incentives are introduced to promote clean and safe recycling.

Download the FOC report [here](#) or by clicking on the cover (left).

PUBLICATION OF OUR ANNUAL REPORT 2014

The Platform published in May its annual report covering activities and developments from 2014. It contains:

- a summary of the Platform’s findings about global shipbreaking trends in 2014, statistics on the total number of ships dismantled in 2014, when 62.5% of all end-of-life ships from all over the world were broken in South Asia (India: 309 ships or 30%; Bangladesh: 222 ships or 22%; and Pakistan: 110 ships or 10.5%);
- our activities and campaigns in 2014: the Platform’s

