



IndustriALL Global Union

Shipbuilding-shipbreaking Action Group Meeting

31 October - 1 November 2017, Rotterdam, Netherlands

A faded background image of a worker in a shipyard. The worker is wearing a white hard hat, dark sunglasses, and a white scarf covering their mouth. They are wearing a light-colored button-down shirt. The background shows industrial structures, including a large dark dome-shaped object and various pipes and equipment.

Global Trends and Sectoral Activities

in

Shipbuilding-Shipbreaking

Kan Matsuzaki
Director Shipbuilding and Shipbreaking
IndustriALL Global Union

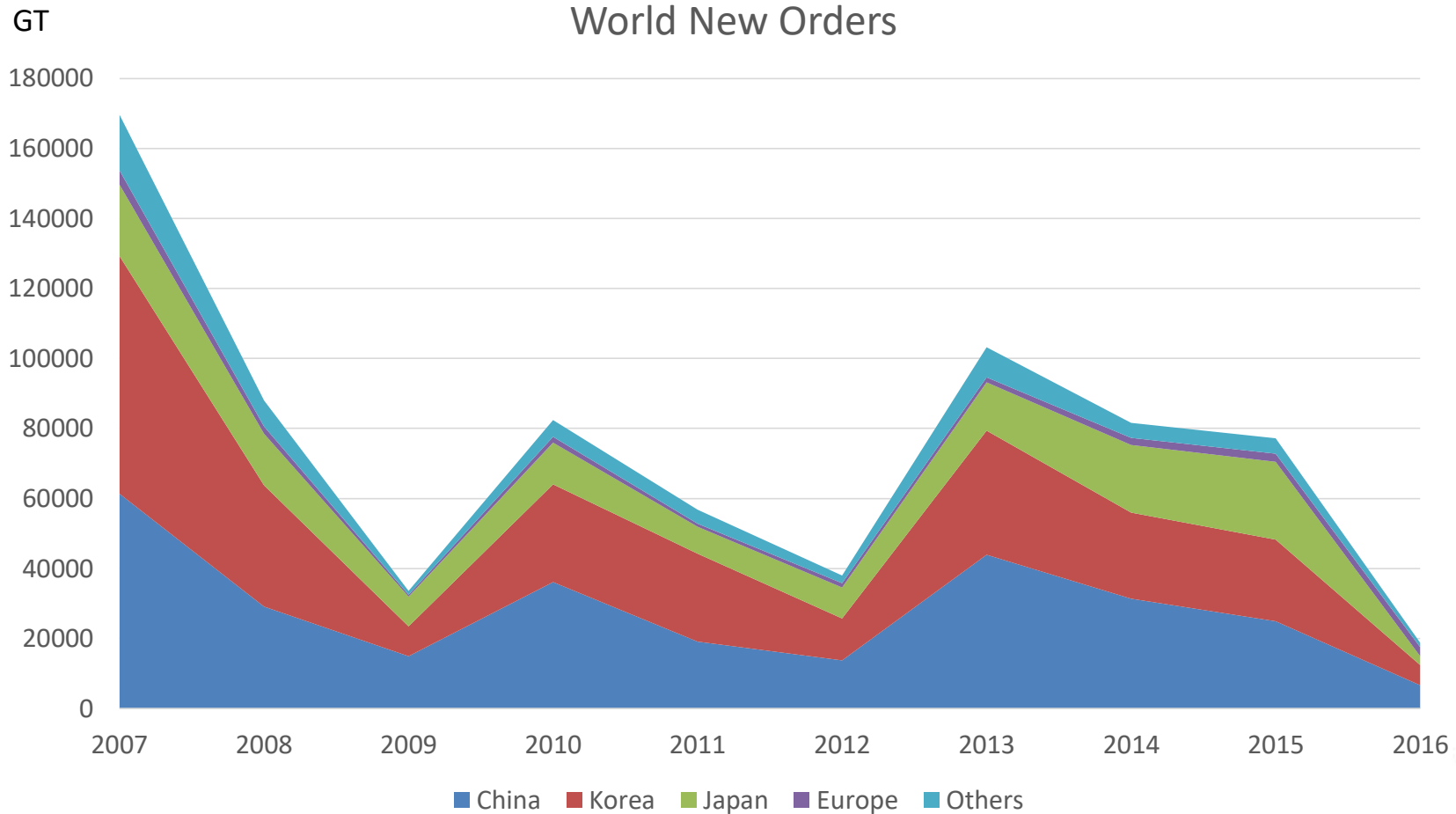


Global Trends in Shipbuilding and Shipbreaking Industries

Trends in Shipbuilding Industry 1

Excess supply and excess capacity since 2008

Recent years have seen very low levels of new orders received by virtually all shipyards.



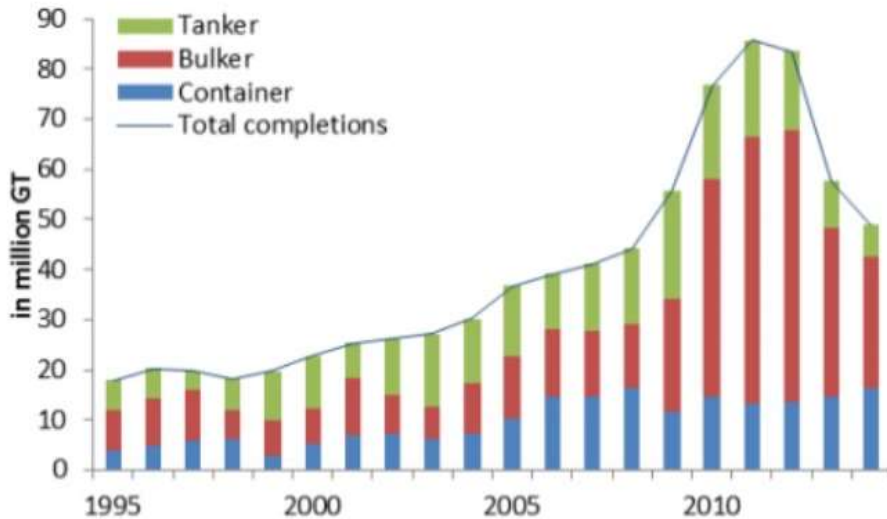
1. Data Source: The Shipbuilders' Association of Japan(SAJ)
2. Ship Size Coverage: 100 Gross Tonnage and over



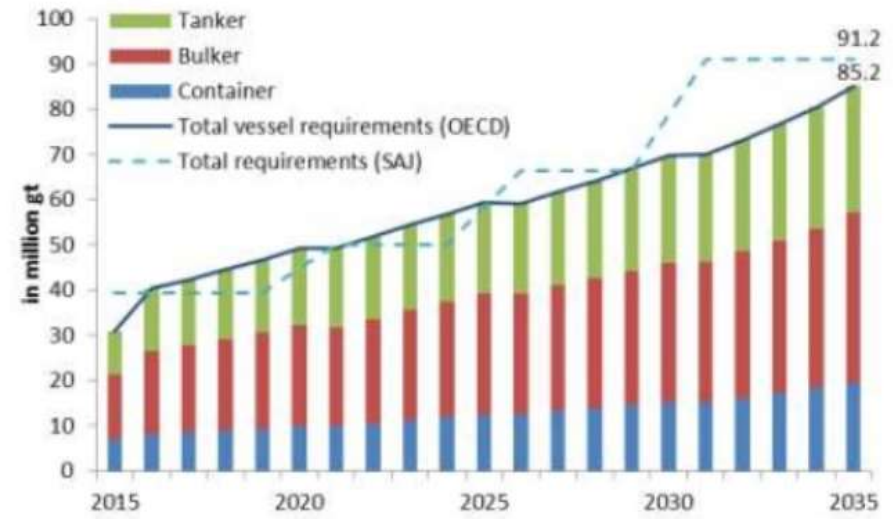
Trends in Shipbuilding Industry 2

Gradual recovery linked to the increase of seaborne trade is predicted.

Completions (1995 – 2014)



Future vessel requirements (2015 – 2035)



Source: OECD based on ITF (2015) and Clarkson (2015).

Source: OECD WP6 Workshop on Supply and Demand in the Shipbuilding Industry, 9 November 2015
 Presentation by the Secretariat of the report on the imbalances in the shipbuilding industry, assessment of their magnitude, their causes and potential policy implications



Trends in Shipbuilding Industry 3

The increase of seaborne trade reflects the increase the share of Bulk Carrier

Year end	World Total		Oil Tanker		Bulk Carrier		Others		GT Share (%)		
	No.	1,000 GT	No.	1,000 GT	No.	1,000 GT	No.	1,000 GT	Oil Tanker	Bulk Carrier	Others
2007	97,504	774,937	7,209	190,612	7,477	217,629	82,818	366,696	24.6	28.1	47.3
2008	99,741	830,704	7,221	195,441	7,744	231,964	84,776	403,299	23.5	27.9	48.5
2009	102,194	882,635	7,453	207,835	8,081	252,524	86,660	422,276	23.5	28.6	47.8
2010	103,392	957,982	7,587	213,903	8,938	294,007	86,867	450,073	22.3	30.7	47.0
2011	104,305	1,043,082	7,476	227,645	9,801	343,198	87,028	472,238	21.8	32.9	45.3
2012	105,004	1,081,205	7,477	234,647	10,133	366,083	87,394	480,475	21.7	33.9	44.4
2013	106,833	1,122,649	7,779	238,484	10,498	388,415	88,556	495,751	21.2	34.6	44.2
2014	109,627	1,166,847	7,885	240,323	10,958	406,844	90,784	519,681	20.6	34.9	44.5
2015	111,806	1,211,223	7,910	243,627	11,161	416,300	92,735	551,296	20.1	34.4	45.5
2016	113,888	1,248,583	8,104	255,653	11,368	427,214	94,416	565,716	20.5	34.2	45.3

1. Data Source: The Shipbuilders' Association of Japan(SAJ) from HIS Markit "World Shipbuilding Statistics"
2. Ship Size Coverage: 100 Gross Tonnage and over
3. Oil tanker does not include chemical tankers and gas tankers but other liquids. Bulk carrier includes combined carriers.

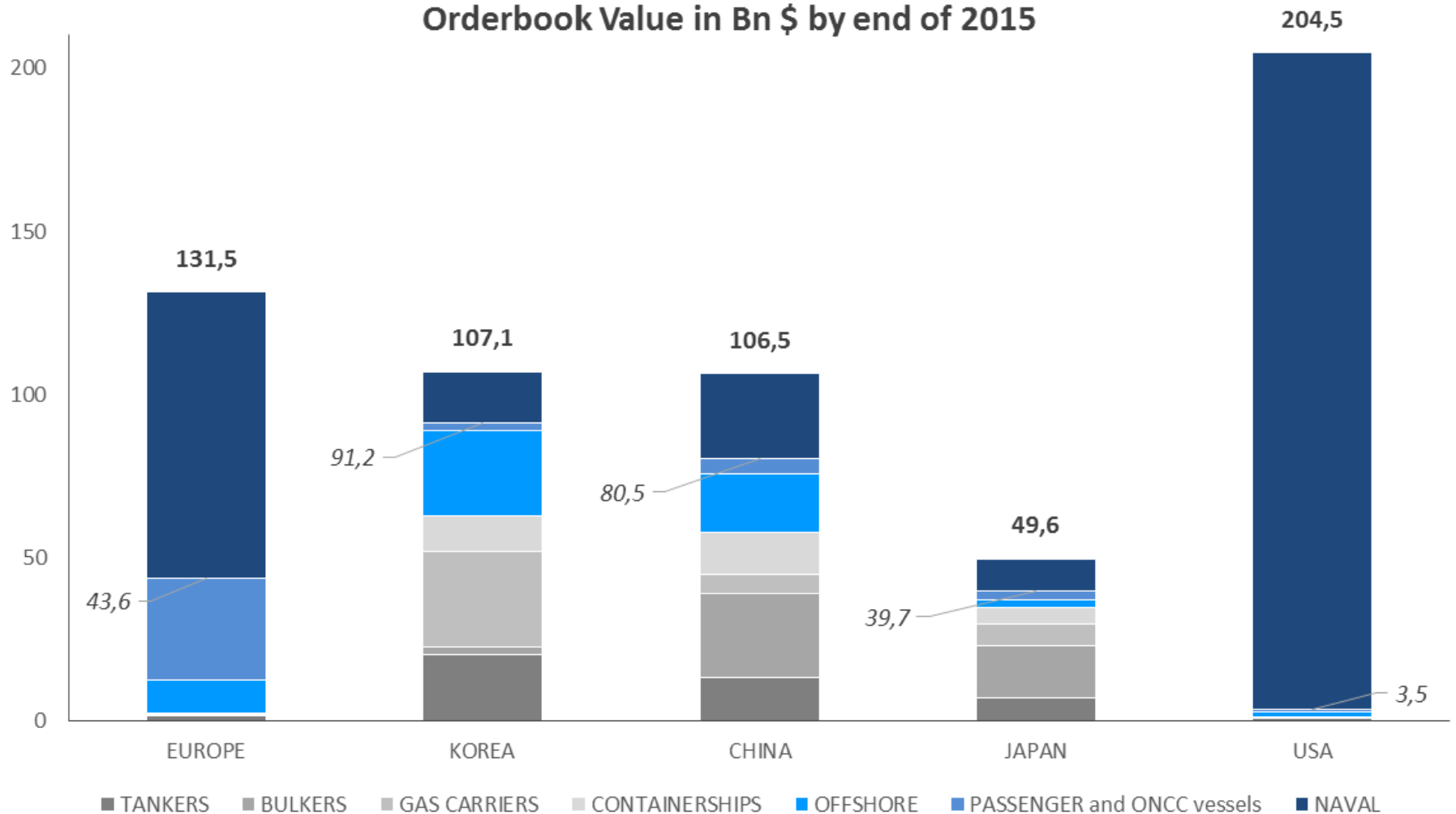


Trends in Shipbuilding Industry 4

Focused Business Area in each countries

Europe: Naval, Passenger, Offshore USA: Naval Korea, China, Japan: all types

Orderbook Value in Bn \$ by end of 2015

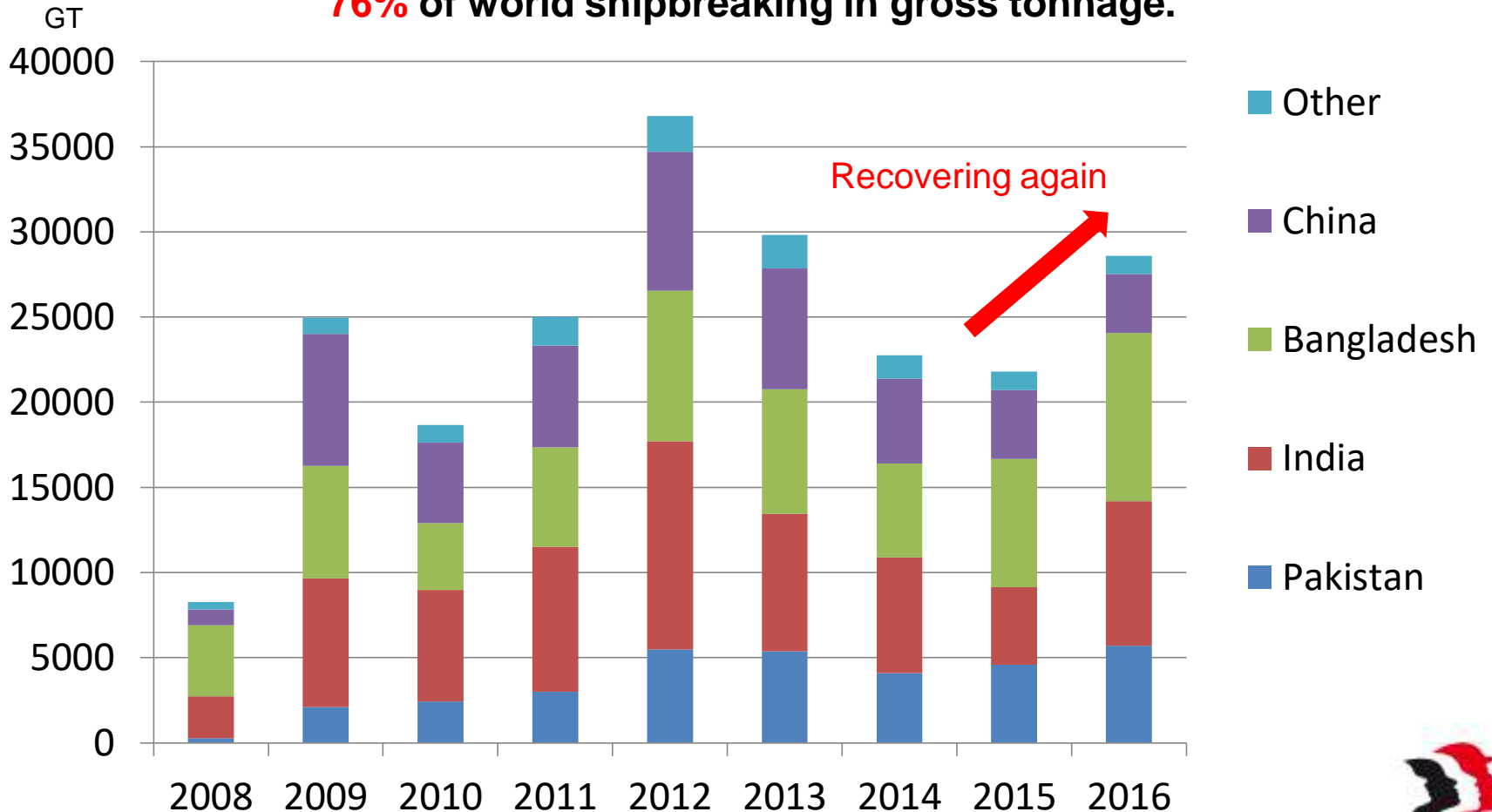




Trends in Shipbreaking Industry 1

Shipbreaking by Countries

South Asia region- India, Bangladesh, and Pakistan account **76%** of world shipbreaking in gross tonnage.



Source: "Shipbuilding Statistics" September 2016, the Shipbuilders' Association of Japan

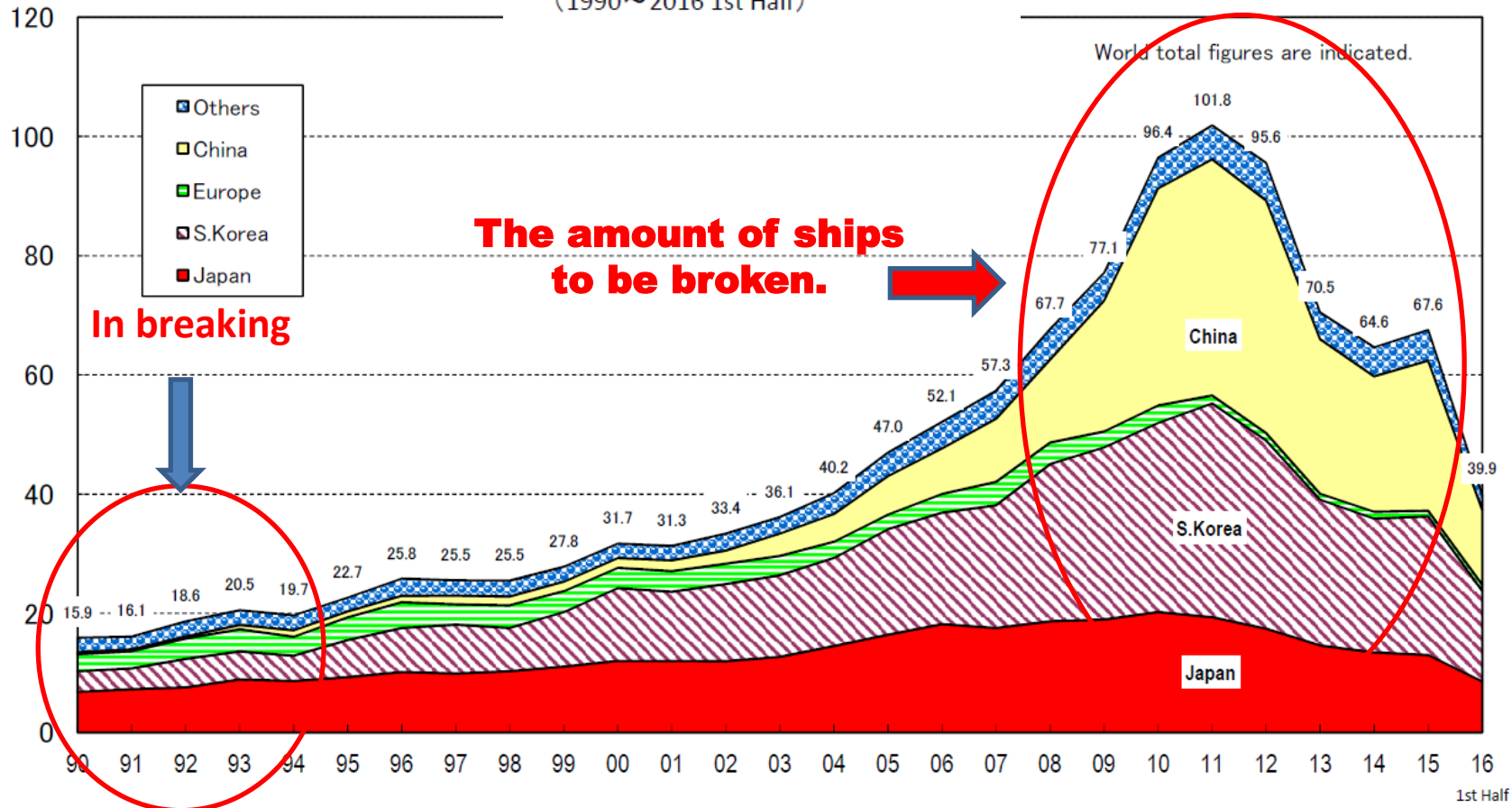


Trends in Shipbreaking Industry 2

Shipbreaking will continue to increase

WORLD COMPLETIONS

(1990~2016 1st Half)



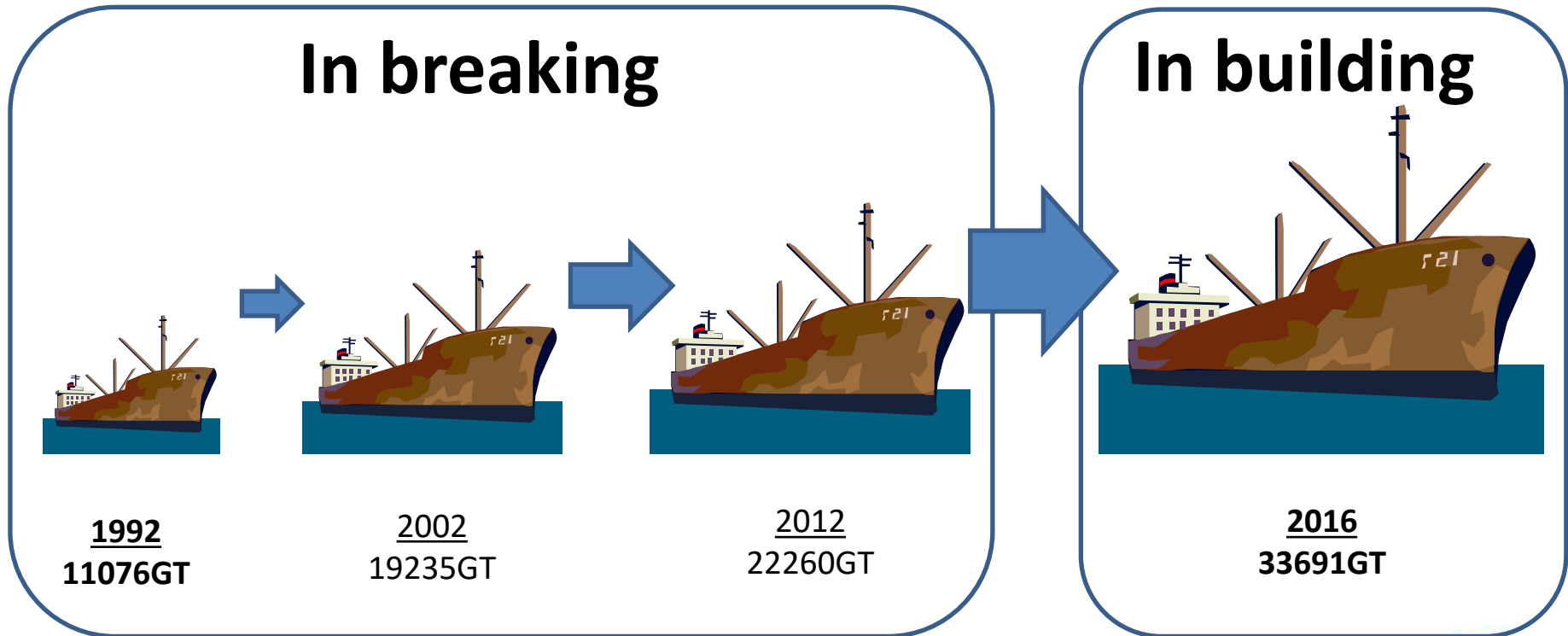
(Note) 1. Data Source : IHS(Former Lloyd's Resister). Until 1967, launched base. After 1968, delivered base.
 2. Ship Size Coverage : 100 GT and over.

Source: "Shipbuilding Statistics" September 2016, the Shipbuilders' Association of Japan



Trends in Shipbreaking Industry 3

3 x bigger sized ships to be broken in the future



Average age of ships sold for shipbreaking is 25-30 years





Sectoral Activities

IndustriALL World Conference on Shipbuilding-Shipbreaking

10-11 November 2014

Huis Ten Bosch/Nagasaki Prefecture, Japan



83 participants from 24 unions in 19 countries(Australia, Bangladesh, Brazil, Denmark, Finland, France, Germany, India, Indonesia, Japan, Korea, Netherlands, Norway, Pakistan, Russia, Singapore, Taiwan ROC, UK and USA.)



IndustriALL Shipbuilding-Shipbreaking Action Group

1-2 November 2015
Chittagong, Bangladesh



27 participants from 11 unions in 12 countries(Australia, Bangladesh, Brazil, India, Denmark, Netherland, Japan, Singapore, Spain, and USA.)



IndustriALL Shipbuilding-Shipbreaking Action Group

7-8 November 2016
Western Australia



60 participants from 18 unions in 14 countries(Australia, Bangladesh, Brazil, Chile, Denmark, France, India, Japan, Korea, Netherlands, Norway, Singapore, UK, and USA)



IndustriALL Shipbuilding-Shipbreaking Action Group Meeting

Conclusion

Implementing IndustriALL Global Union Action Plan 2016-2020 into Shipbuilding-Shipbreaking sector and continue to improve the sector Action Plan adopted at the World Conference in 2014.

Focal Points of Action for 2016-2018

- Strengthening activities on occupational health and safety (OHS) and demanding safer workplace at all levels.
- Focusing on the trend of shipbuilding-shipbreaking industry and taking solidarity actions supporting affiliates who are fighting for their rights or for decent work against governments and employers in the industry
- Developing and advancing the processes of creating strong trade union networks
- Strengthening world wide campaign and action, collaborating with all the stakeholders on demanding that all the states expedite ratification of the Hong Kong Convention, to secure the shipbreaking workers' safety and jobs.
- Continue to making effort to increase women's participation at all levels of union activities
- Developing collaborative activities and seeking synergies to effect sustainable industrial policies with other related sectors



Meeting of Experts to adopt a Code of Practice on Safety and Health in Shipbuilding and ship repair

22 - 26 January 2018, Geneva

The purpose of the meeting is to review and adopt an ILO Code of Practice on safety and health in shipbuilding and ship repair.

From IndustriALL:

8 worker experts on OHS in shipbuilding and ship repair.

Fight against precarious work

Actions around the world





Creating TU Network

Trade Union Network

BAE SYSTEMS

Bilateral Union Communication



Possibility for the next TUN



Sustainable Industrial Policy

World Conference on Industry 4.0 on 26-27 October 2017



- ❖ Just Transition
- ❖ Social Dialogue with various stakeholders
- ❖ Work with UN organizations on SDGs
- ❖ Upgrade education and skill training
- ❖ New strategy for organizing workers
- ❖ Intense union building in developing countries





Serious accident continues in South Asia



Hong Kong Convention (adopted in May 2009)

The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ship, 2009 (HKC)



Purpose: Ensuring safety and environmental protection of ship recycling yards



Minimizing environmental and OSH risks while enabling replacement of old ships

Comprehensive framework for ship recycling

- Covers from the cradle to the grave
 - Every stakeholder involved: equipment manufacturers, shipyards, ship operators, Ship Recycling Facilities (SRFs)
- Aims to control
 - Hazardous materials on board ships
 - Various risks at SRFs



HKC's application and conditions for entry into force

- Applicable ships: International ships of 500 GT or more
- Conditions necessary for entry into force
 1. No. of contracting parties: 15 states
 2. Fleet: 40% of GT of the world's merchant shipping
 3. Recycling capacity: Maximum annual ship recycling volume of the signing states during the preceding 10 years constitutes not less than 3% of GT of the states.
- The HKC will enter into force 24 month after when the above conditions are met.
- Three states have acceded (ratified): Norway, Congo, and France (as of 1st Nov., 2014)



Six states have acceded(ratified): **Belgium, Congo, Denmark, France, Norway, and Panama** (as of 13 July 2017)
6 states with 20% of GT of the world's merchant shipping

We need 9 states with more than 20% of GT of the world merchant shipping, including major shipbreaking country such as India and China!

Outline of EU Regulation



- ✓ Scope (1) Ships, (2) Ship Recycling Facilities (SRFs), (3) Reporting requirement
- ✓ Applied Ships EU flagged commercial ships greater than 500GT
- ✓ Requirements for ships (1) Control of Hazardous Materials (2) Inventory of Hazardous Materials (IHM) (3) Surveys
- ✓ Requirements for SRFs (1) Authorization and inspection of SRFs (2) Listing in “European List”

- ◆ In order to recycle EU flagged ships, SRFs located outside of EU shall be listed in “European List”.
- ◆ Requirements in line with HKC
 - ✓ Appropriate safety and environment management
 - ✓ Development of SRFP (Ship Recycling Facility Plan) etc.
- ◆ **Additional Requirements**
 - ✓ Control of any leakage in intertidal zones
 - ✓ Handling of Hazardous Materials only on impermeable floors with effective drainage systems
- ◆ Necessary procedures to be listed in “European List”
 - ✓ Under consideration by the EC

Why We Need HK Convention?

It could contribute to the sustainable employment/decent work

- ✓ **International convention**
- ✓ **Realistic (concrete steps)**
- ✓ **Sustainable for all parties**
- ✓ **Effective implementation and monitoring**
- ✓ **Social Dialogue**





Thank You



Website

www.industriALL-union.org