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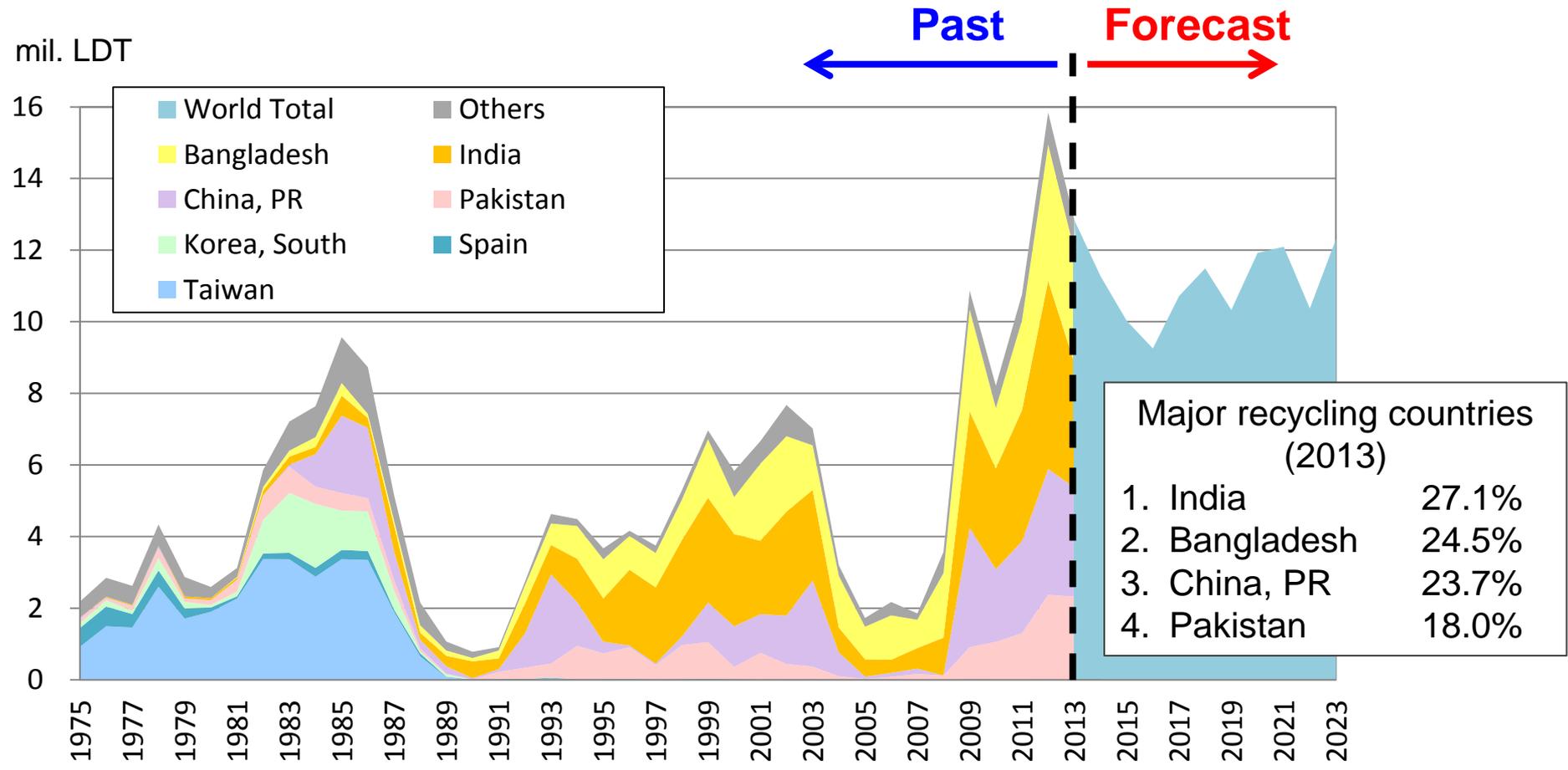
Hong Kong Convention and Sound Development of the Ship Recycling Industry

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Development of Global Ship Recycling



Ship recycling plays a significant role in the maritime industry to ensure sustainable development of seaborne trade.

Hong Kong Convention (adopted in May 2009)

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



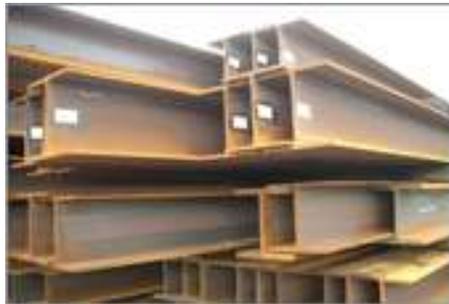
Purpose: Ensuring safety and environmental protection of ship recycling yards



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**



□ Control of hazardous materials on board:

Identify hazardous materials on board

- Prohibition/restriction of use of hazardous materials
- Development of Inventory of Hazardous Materials (IHM)
- Keeping record of types, quantities and locations of hazardous materials

□ Control of risks at Ship Recycling Facilities (SRFs):

Minimize risks of workers' safety and environmental impact

- Policy ensuring safety and protection of human health and environment
 - e.g.) Personal protective equipment and clothing
- Program for appropriate information and training of workers
 - e.g.) Appropriate training and familiarization prior to recycling operation
- Management of hazardous materials
 - e.g.) Description of hazardous materials storage and processing facilities
- And more...



Implementation of HKC ensures safety and environment protection at yards.

Outline of HKC:

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)



- ◆ Once the HKC comes into force, the recycling yards **not** complying with the HKC will see **significant decrease of their business**, since ships of the Member States will have to be recycled in the yards complying with the HKC.
- ◆ Recycling yards would have to make efforts in order to meet the standards of the HKC so that their States can ratify the HKC.

Requirements of HKC for SRFs: What to do? (1)

◆ Development of Ship Recycling Facility Plan (SRFP)

Guidelines for Safe and Environmentally Sound Ship Recycling

1. Policy ensuring workers' safety and protection of human health and the environment
2. System for ensuring the HKC's requirements
3. Identification of roles and responsibilities for employers and workers
4. Program for providing information and training of workers
5. Emergency preparedness and response plan
6. System for monitoring the performance
7. System for record-keeping
8. System for reporting discharges, emissions, incidents and accidents
9. System for reporting occupational diseases, accidents, injuries, etc.

◆ Development of Ship Recycling Plan (SRP)

Guidelines for the Development of the Ship Recycling Plan

1. Description of specific preparatory work prior to ship arrival
2. Procedures for on-board check when ship arrives
3. Management plan of hazardous materials
4. Procedures for safe-for-entry and safe-for-hot-work
5. Dismantling sequence

Ship recycling yards using beaching method

Leela Ship Recycling Pvt. Ltd. (Alang, Gujarat, India)



- Well maintained facilities
- Properly divided work areas
- Impermeable floor (concrete)
- Drainage areas
- Workers' protective equipment

- ❑ Many of the recycling yards using beaching method would become HKC-competent yards with reasonable improvement on facilities, equipment and management.
- ❑ Japan is willing to provide technical and financial assistance to recycling yards making effort to comply with the HKC.



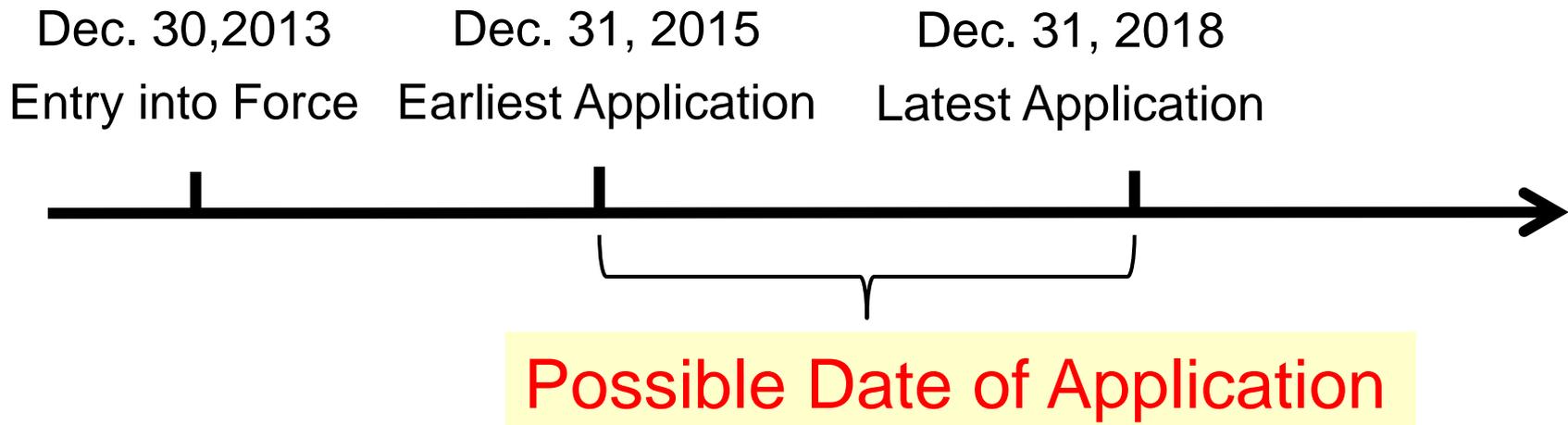
Outline of EU Regulation

- ✓ 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

EU Regulation: Application Schedule

- ◆ This Regulation shall apply from the earlier of the following two dates, but not earlier than 31 December 2015:
 - (a) 6 months after the date that the combined maximum annual ship recycling output of the SRFs included in the European List constitutes not less than 2.5 million LDT
 - (b) on 31 December 2018



Implication of EU Regulation

1. Consistency with the HKC

- Some requirements of the EU Regulation are different from those of the HKC.
- In order to promote smooth development of the safe and environmentally sound yards and to avoid unnecessary confusion, the EU Regulation should be implemented in consistency with the HKC.

2. Impact on SRFs

- Ship recycling yards may have to struggle with the decrease of their recycling work, since the EU Regulation stops European shipowners from recycling their ships in the yards not complying the EU Regulation.
 - Need of improving recycling yards for keeping ship recycling business

Conclusion

- Ship recycling plays a significant role in the maritime industry to ensure sustainable development of seaborne trade.
- HKC ensures safe and environmentally sound ship recycling.
- Reasonable extent of financial investment and technical improvement will enable the compliance with the HKC.
- Non-compliance with the HKC would cause significant decrease of business.
- Reasonable investment in SRFs will pay off.
- Japan is willing to support recycling yards making effort to comply with the HKC.

Thank you for your attention