

On the entry into force of HKC

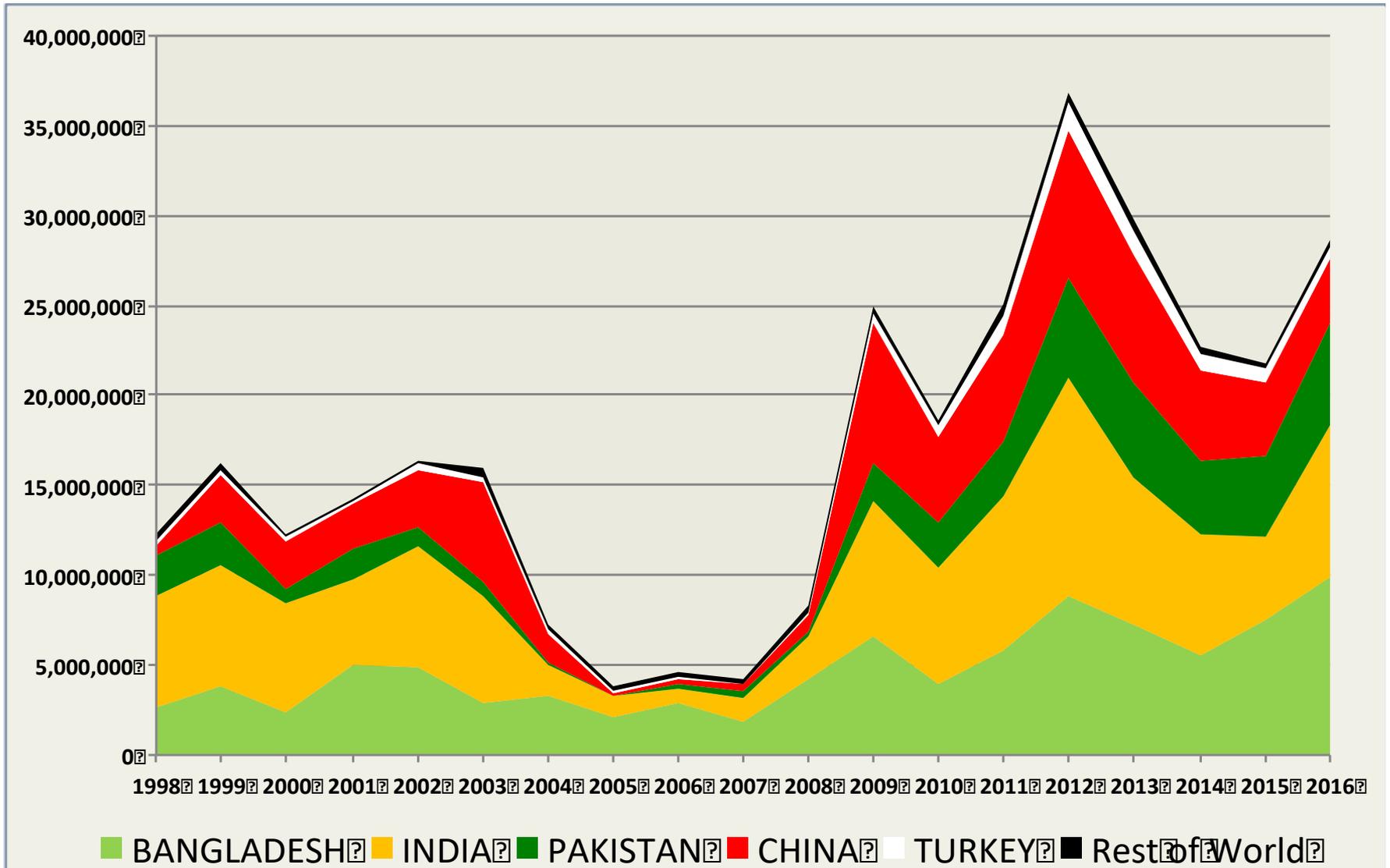
Dr Nikos Mikelis
Non-executive Director, GMS

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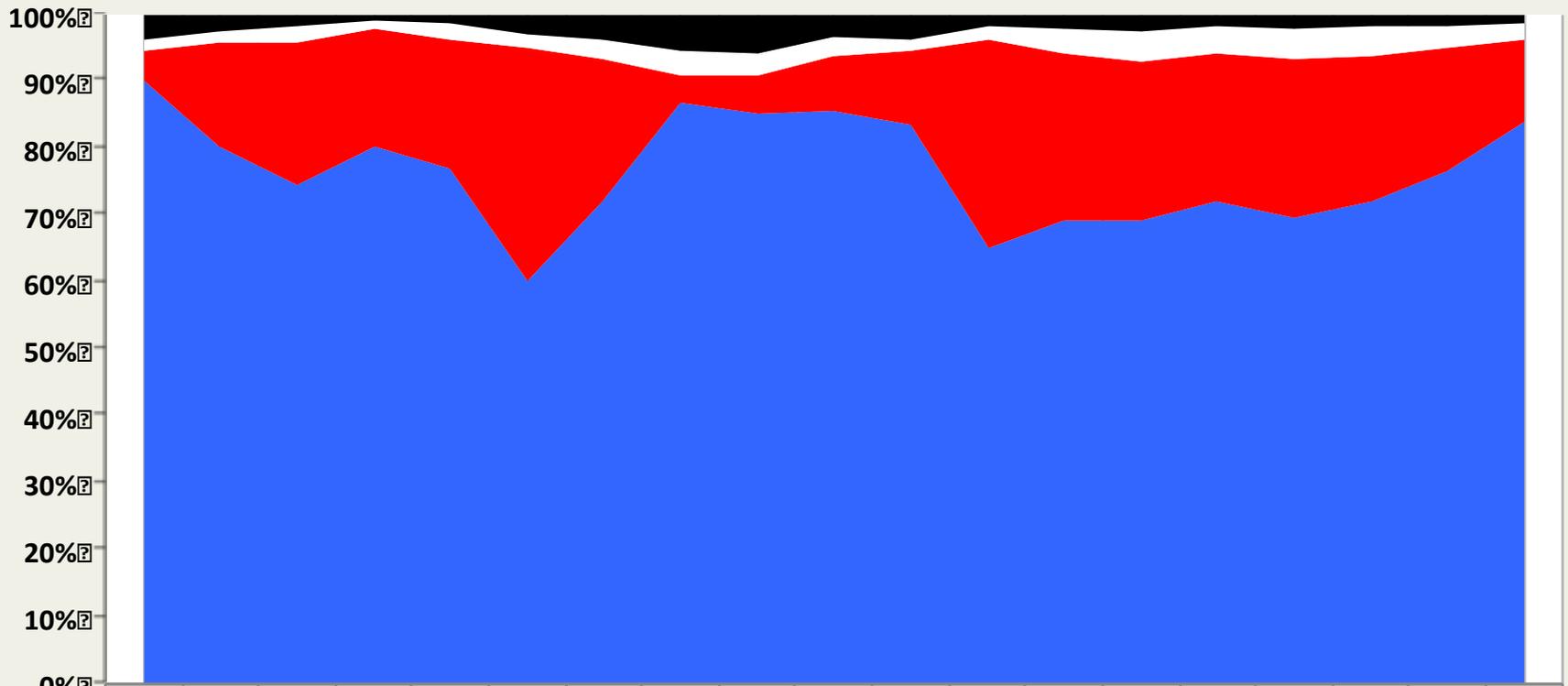
Worldwide ship recycling activity in 2016

	RECYCLING COUNTRY	No.	GT	Average GT	Average age	Cummulative % of tonnage	Cummulative % of ships
1	BANGLADESH	230	9,888,137	42,992	23	34.6%	22.3%
2	INDIA	325	8,474,617	26,076	26	64.2%	53.8%
3	PAKISTAN	134	5,703,133	42,561	24	84.1%	66.8%
4	CHINA, PEOPLE'S REPUBLIC OF	131	3,464,380	26,446	25	96.3%	79.5%
5	TURKEY	81	721,083	8,902	35	98.8%	87.4%
6	UNITED STATES OF AMERICA	7	70,249	10,036	50	99.0%	88.1%
7	UNKNOWN	14	60,376	4,313	38	99.2%	89.4%
8	RUSSIA	9	39,646	4,405	37	99.4%	90.3%
9	CANADA	6	33,305	5,551	57	99.5%	90.9%
10	CUBA	17	23,021	1,354	43	99.6%	92.5%
11	PUERTO RICO	2	18,398	9,199	38	99.6%	92.7%
12	BRAZIL	2	16,177	8,089	39	99.7%	92.9%
13	DENMARK	17	14,457	850	40	99.7%	94.6%
14	BELGIUM	6	12,358	2,060	39	99.8%	95.2%
15	VIETNAM	8	11,188	1,399	19	99.8%	95.9%
16	KOREA, SOUTH	2	9,871	4,936	34	99.9%	96.1%
17	NETHERLANDS	5	8,482	1,696	45	99.9%	96.6%
18	INDONESIA	3	6,708	2,236	30	99.9%	96.9%
19	SPAIN	9	6,105	678	39	99.9%	97.8%
20	NORWAY	7	4,821	689	48	100.0%	98.4%
21	UNITED KINGDOM	3	3,589	1,196	41	100.0%	98.7%
22	AZERBAIJAN	2	3,112	1,556	38	100.0%	98.9%
23	GHANA	2	1,658	829	34	100.0%	99.1%
24	GERMANY	2	1,534	767	45	100.0%	99.3%
25	LATVIA	1	1,313	1,313	36	100.0%	99.4%
26	SOUTH AFRICA	2	1,256	628	51	100.0%	99.6%
27	MEXICO	3	660	220	28	100.0%	99.9%
28	LITHUANIA	1	466	466	52	100.0%	100.0%
	Grand Total	1,031	28,600,100	27,740			

Global volumes of ship recycling (expressed in GT)



Market share of ship recycling (expressed in % of GT)



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Rest of world	4%	3%	2%	1%	1%	3%	4%	5%	6%	3%	4%	2%	2%	2%	2%	2%	2%	2%	1%
TURKEY	1%	1%	2%	1%	2%	2%	3%	4%	3%	3%	2%	2%	4%	4%	4%	5%	4%	3%	3%
CHINA	4%	16%	21%	18%	19%	35%	21%	4%	6%	8%	11%	31%	25%	24%	22%	24%	22%	19%	12%
SOUTH ASIA	90%	80%	74%	80%	77%	60%	72%	87%	85%	85%	83%	65%	69%	69%	72%	70%	72%	76%	84%

■ SOUTH ASIA
 ■ CHINA
 ■ TURKEY
 ■ Rest of world

Hong Kong Convention (HKC) was developed to address the poor working conditions, the lack of training, the recurring accidents and the environmental degradation in South Asia's ship recycling yards.

HKC does not ban beaching, although during its development there were pressures to do so. To have tried to ban beaching would have been: (a) counterproductive, as HKC was developed to address primarily the conditions in beaching yards; and (b) naive, as banning beaching through the Convention would never work, when three quarters of the world's recycling capacity utilize beaching.

Instead, HKC addresses the systematic prevention, reduction, minimization and, where practicable, elimination of risks to human health and safety and to the environment through mandatory requirements on: worker safety and training; the protection of human health and the environment; emergency preparedness and response; and systems for monitoring, reporting and record-keeping.

Although HKC is not yet in force, the standards of the Convention and of its Guidelines are already having a positive effect in the industry.

A number of shipping companies, most probably urged by the relentless campaign of the NGO Platform, have developed policies of responsible ship recycling, which either promise not to recycle any of their ships by beaching, or, more pragmatically, to recycle ships only in yards that follow the standards of HKC. The yards that can provide this service are being rewarded with better prices (i.e. having to pay less compared to non-compliant yards when buying ships from these shipowners).

In India, as of the end of August 2017, 41 yards had received HKC Statements of Compliance (7 by ClassNK, 30 by RINA, 4 by IRQS). Another 15 yards in Alang are progressing towards obtaining their Statement of Compliance (SOCs), meaning that already around 50% of the industry in Alang is moving towards safer and cleaner work.









Secondary cutting on concrete to avoid soil contamination



Bangladesh on the other hand is lacking some of the infrastructure and systems that the recycling industry in India has.

However, a handful of yards have started making improvements, while the ministry that is responsible for the industry has become fully aware of the conditions in the yards and of the needs for training the whole workforce and for improving the management of hazardous wastes.

One yard in particular has made great strides in its path to meet international standards.



Bangladesh, January 2008



Bangladesh, January 2008

The same recycling yard as in previous slide in 2017





The same recycling yard as in previous slide in 2017

The same recycling yard as in previous slide in 2017



The same recycling yard as in previous slide in 2017



Article 17 of HKC

Entry into force

This Convention shall enter into force 24 months after the date on which the following conditions are met:

- .1 not less than 15 States have either signed it without reservation as to ratification, acceptance or approval, or have deposited the requisite instrument of ratification, acceptance, approval or accession in accordance with Article 16;*
- .2 the combined merchant fleets of the States mentioned in paragraph 1.1 constitute not less than 40 per cent of the gross tonnage of the world's merchant shipping; and*
- .3 the combined maximum annual ship recycling volume of the States mentioned in paragraph 1.1 during the preceding 10 years constitutes not less than 3 per cent of the gross tonnage of the combined merchant shipping of the same States.*

What is needed for entry into force?

In 2017 the requirements for entry into force of HKC are that it has to be ratified or acceded by at least:

(1) 15 States;

(2) whose fleets amount to at least 499,433,274 gross tonnage (GT), i.e. 40% of the 2016 world fleet of 1,248,583,186 GT; and

(3) whose recycling facilities' combined maximum annual ship recycling volume is at least 14,982,998 GT, i.e. 3% of the tonnage condition.

Note: In 2018 the criteria will change according to the then published figure of the total GT of the world fleet for 2017 (to be published in April or May 2018).

Ratifications and accessions up to October 2017

	COUNTRY	2016 FLEET
1	NORWAY	2,639,393
	NORWAY (NIS)	14,747,781
2	FRANCE	1,111,057
	FRANCE (FIS)	5,212,022
	FRENCH ANTARCTIC TERRITORY	11,157
3	BELGIUM	4,993,800
4	REPUBLIC OF CONGO	4,757
5	PANAMA	220,827,125
6	DENMARK	230,719
	DENMARK (DIS)	15,251,617
	FAEROE ISLANDS	268,290
	FAEROES (FAS)	162,096
(7)	TURKEY	5,793,699
	TOTAL of 7	271,253,513 21.7%
	WORLD FLEET	1,248,583,186

I believe that the first two conditions (i.e. 8 more ratifications amounting to 18.7% of the world's GT) can be met relatively easily.

FLAGSTATE	2016GT	%OFWORLD
PANAMA	20,827,125	17.7%
CHINA-HongKong	152,492,834	12.2%
LIBERIA	138,735,562	11.1%
MARSHALLISLANDS	132,877,581	10.6%
SINGAPORE	12,435,023	6.6%
MALTA	107,315,297	5.4%
BAHAMAS	109,182,139	4.7%
UNITEDKINGDOM-Dependentterritories	17,688,455	3.8%
GREECE	140,868,971	3.3%
JAPAN	14,579,000	2.0%
CYPRUS	11,724,652	1.7%
NORWAY-NIS	17,387,174	1.4%
ITALY	16,133,555	1.3%
DENMARK-DIS-Faeroe	15,912,722	1.3%
...		
UNITEDSTATESOFAMERICA-Palau	12,121,036	1.0%
...		
INDIA	10,635,701	0.9%
GERMANY	9,618,863	0.8%
...		
NETHERLANDS-Curacao	8,156,521	0.7%
...		
FRANCE-FIS-FAT	8,334,236	0.5%
...		
BRAZIL	3,166,170	0.3%
...	2,908,551	0.2%
FINLAND	1,734,630	0.1%
AUSTRALIA	1,421,788	0.1%
...		
BANGLADESH	1,123,673	0.1%
....		
PAKISTAN	107,305	0.0%
....		
WORLD-TOTALS	12,248,583,186	100.0%

The third condition for entry into force currently requires a “combined maximum annual ship recycling volume” of at least 14,982,998 GT.

The capacities of the ship recycling countries in 2016-2017 are as follows:

INDIA	12,210,082
BANGLADESH	9,888,137
CHINA	8,167,710
PAKISTAN	5,703,133
TURKEY	1,540,800
REST OF THE WORLD	624,848

This data shows that Turkey plus India (or Turkey plus China) do not meet the required 14.98m GT. The key to HKC’s entry into force is therefore accession by two of the four large recycling nations, ideally India and China, as the hazardous waste management infrastructure and many of the yards of both countries are already well developed, in line with the requirements of the Convention.

Furthermore, the key to the establishment of HKC as the single global standard is accession by all five recycling countries as then all flag States will have to also accede/ratify the Convention. This is a feasible target for the next 5-10 years.

Thank you for your attention

Nikos Mikelis
nikos@mikelis.com