

EUROPEAN COMMISSION
DG ENVIRONMENT
A2 Waste Management & Recycling
Julio Garcia Burgues



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25 July 2014
SENT BY E-MAIL

URGENT: Imminent illegal export of *King Justus* and *King Julius* from EU to India

Dear Mr Garcia Burgues,

The NGO Shipbreaking Platform with this letter alerts the European Commission regarding a pending violation of the European Union (EU) Waste Shipment Regulation involving Spain and Malta as potential exporting states. We have information that two container ships named the *King Justus* (IMO 9108374) and the *King Julius* (9108362) have been sold for breaking in India (see information on the ships below).

Spain and Malta as exporting states are party to the Basel Convention on Transboundary Movements of Hazardous Waste and their Disposal. As Member States of the European Union, these countries are also legally bound to Regulation 1013/2006/EC on Shipments of Waste which incorporates the Basel Convention into Community law and includes the Ban Amendment on exports of hazardous waste to non-OECD countries.

We have been informed that the two vessels have been sold to the India cash buyer Best Oasis, i.e. an intermediary helping ship owners to sell off their end-of-life vessels to breakers. The *King Justus* is already on her way to India (currently in the Suez canal) after she left Spain (Gran Canaria) in an assumedly illegal export of an end-of-life vessel. The *King Julius* is still in the Maltese port of Marsaxlokk waiting for repair before her last voyage.

Both vessels have reportedly been sold to Indian breakers and will be broken in Alang, India, under conditions which cause great damage to the workers' health and lives, and the environment. The vessels are expected to contain hazardous materials such as asbestos, refrigerants and mercury within its structure and electronic equipment; operational oily wastes such as sludge and oil residues; and stores including paint tins and heavy cleaning agents.

The cash buyer Best Oasis, which reportedly bought the vessels, is a 100% subsidiary of an Indian beach breaking yard, Priya Blue. The yard claims to be a "Green Ship Recycling Yard" although it operates directly on the beach. Its operation is not compliant neither with the Hong Kong Convention, the Basel Convention nor with the new EU Ship Recycling Regulation. The yard falsely claims to fulfill the NGO Shipbreaking Platform's Green Ship Recycling Standard by linking to our standard on their website's "Environment" section. Our Standard excludes beaching yards from practicing Environmentally Sound Management of hazardous wastes. Moreover, the National Human Rights Commission of India is currently

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researching the working conditions in the Indian shipbreaking yards. The preliminary findings show that the living and working conditions have not significantly improved since the yards were first started in 1983.

According to subscriber data base Lloyds Marine Intelligence (www.lmiu.com) both vessels were owned by Schoeller Holdings Limited, a company which owns around 90 large ocean-going vessels. It is run by German business man Heinrich Schoeller and headquartered in Limassol, Cyprus. The vessels are commercially operated by Columbia Shipmanagement in Hamburg, Germany.

Whereas it is too late for European authorities to stop the illegal export of the *King Justus*, the *King Julius* is still in a Maltese port. According to Lloyd's list, the vessel was sold on 16th of July 2014, to "Unknown Owners" – as we have been informed to the Indian cash buyer Best Oasis. The information available is a clear indicator that the ship will go for breaking:

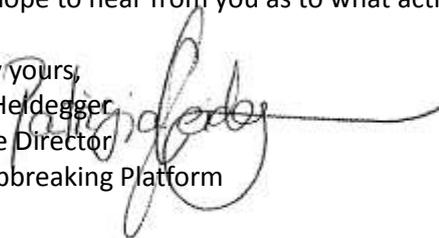
- The new owner is "unknown" rather than a known ship owners. Cash buyers are not reported as owners but a new serious owner would be known by name.
- The flag has been changed to St Kitts-Nevis, the most popular flag of convenience for end-of-life vessels. It offers special discounts for last voyages. This is a strong indicator that the vessel will not be further operated.
- The name of the vessel has been changed by the cash buyer. For end-of-life vessels, the cash buyer usually does not chose a completely new name, as no company will operate the ship under its name, but just crops it short. *King Julius* became *Lius*.

Based on the information supplied above it is incumbent on Malta to prevent the imminent departure of the vessel *King Julius* and ensure that the vessel it not going to a non-OECD country for breaking . In the light of the new EU Ship Recycling Regulation which entered into force 30 December 2013, but is not yet applicable, we note that the vessels would continue to be covered by the EU Waste Shipment Regulation as the vessels are registered under a non-EU flag. Further, the substandard beaching practice in Alang, India does not comply with the new EU Ship Recycling Regulation's requirements for safe and environmentally sound ship recycling. The departure of the ship from the EU can only be authorised if the ship owner can provide evidence that the *King Julius* will be broken in compliance with the EU Waste Shipment Regulation's ban on exports of hazardous end-of-life ships to non-OECD countries as well as requirements related to Prior Informed Consent (PIC) and Environmentally Sound Management (ESM).

As the *King Julius* has just been sold, and may at any moment sail to the ship dismantling facility, this is a matter of urgency. The NGO Platform on Shipbreaking therefore calls upon the European Commission to assist Malta in ensuring that illegal traffic does not occur and that they take steps to control the export of the *King Julius* in accordance with the EU Waste Shipment Regulation.

The NGO Platform on Shipbreaking stands ready to assist in this regard in any way we can and we hope to hear from you as to what actions you will be taking in this regard.

Sincerely yours,
Patrizia Heidegger
Executive Director
NGO Shipbreaking Platform



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King Julius (now: Lius)

CURRENT LOCATION:

Marsaxlokk, Malta (in Malta since April 2014)

DESTINATION:

Reportedly: Alang shipbreaking yards, India

OWNER:

Schoeller Holdings Limited

Reported cash buyer: Best Oasis

SHIP DETAILS:

Name	KING JULIUS (now: LIUS)
IMO number	9108362
Flag	ST KITTS NEVIS
Type of vessel	CONTAINER SHIP
Size of vessel GT	14241
Expected Hazardous Materials onboard	ASBESTOS, OIL RESIDUES, ELECTRONIC EQUIPMENT

OWNERSHIP DETAILS:

Beneficial owner	Schoeller Holdings Limited Columbia House Dodekanison Street Limassol 4043 , Cyprus Tel: +357 25 843100 Fax: +357 25 311196 Email: h.schoeller@csmcy.com Web: www.schoeller-holdings.com
Commercial operator	Columbia Ship Management (Germany)
Registered owner	Koenig & Cie Erste Schiffahrts & CO KG
Class	Germanischer Lloyd