

SOUTH ASIA QUARTERLY UPDATE

#23

A large, abstract, black graphic with a marbled or liquid-like texture, resembling a map outline, occupies the bottom portion of the page.

VISION & MISSION

Vessels are recycled in facilities that ensure clean, safe, and just practices that provide workers with decent jobs. Vessels will be toxic-free and no longer cause harm to workers, local communities, or the environment at end-of-life.

To act as a catalyst for change by effectively advocating for clean, safe, and just ship recycling globally. This necessitates denouncing dirty and dangerous practices, such as the dumping of end-of-life vessels on the beaches of developing countries. Our commitment to finding sustainable global solutions is based on the respect of human and workers' rights and the principles of environmental justice, producer responsibility, 'polluter pays', and clean production.

OCTOBER 2020
SAQU #23

In this quarterly publication, we inform about the shipbreaking practices in South Asia, providing an overview of vessels broken on the beaches of Bangladesh, India and Pakistan; accidents; relevant press media as well as research. We aim to raise public awareness about the many negative impacts of shipbreaking in South Asia as well as developments aimed at the protection of workers' rights and the environment.



5

workers suffered an accident while scrapping ships on South Asian beaches



65%

of ships ended up on South Asian beaches

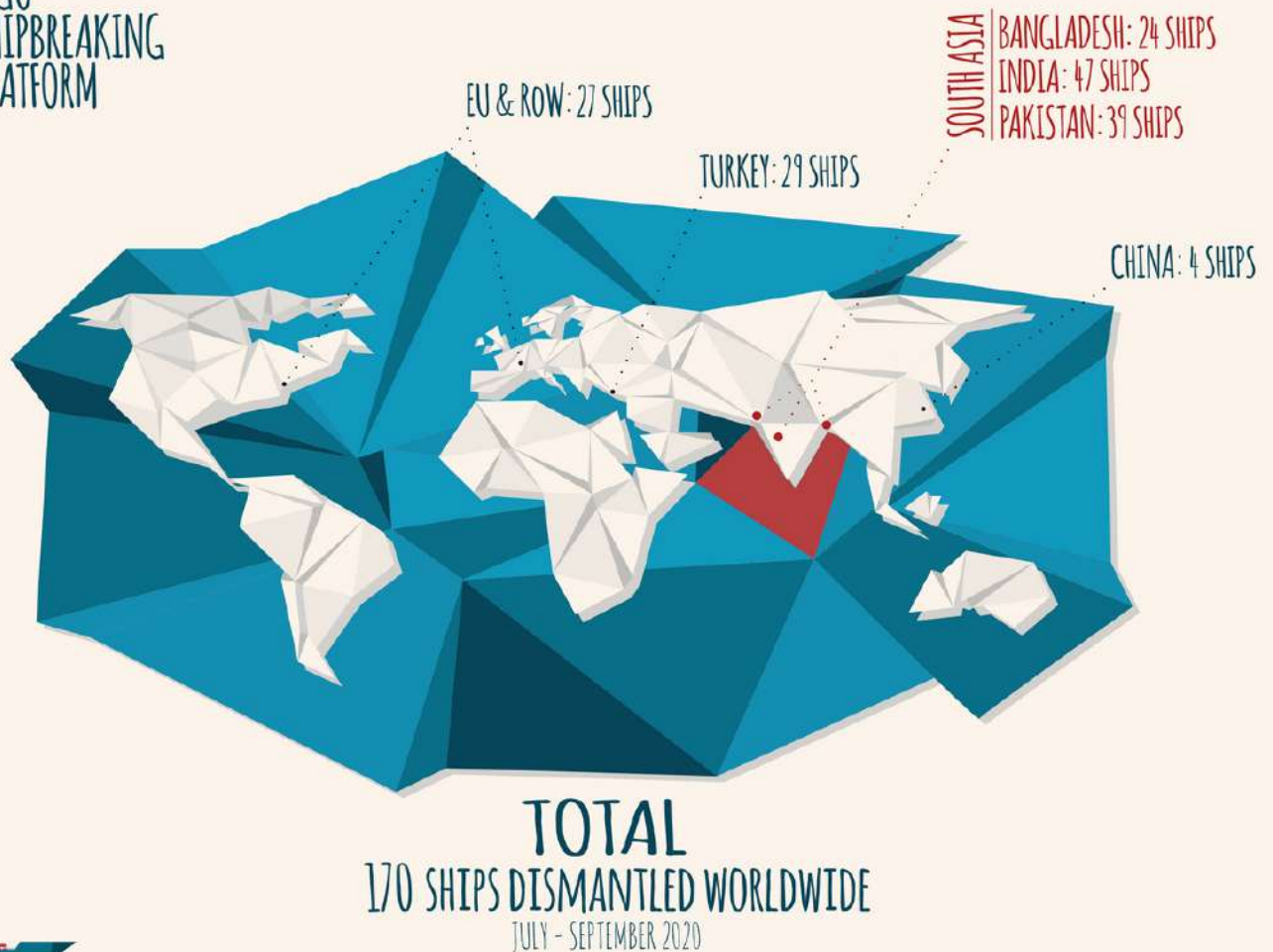
03

SHIPBREAKING RECORDS

There were a total of 170 ships broken in the third quarter of 2020. Of these, 110 ships were sold to the beaches of South Asia, where, despite several yards being closed due to the Covid-19 pandemic, shipbreaking activities continued to put workers' lives at risk.



NGO
SHIPBREAKING
PLATFORM



© CREATED BY FICP/EPK



ON THE BEACH

OFF THE BEACH

04

GLOBAL DUMPERS

In the third quarter of 2020, Greek ship owners sold the most ships to South Asian yards, closely followed by Japanese, Russian and South Korean owners. South Korean company Polaris Shipping sold another two vessels to Pakistan. The ship owner, which hit the [headlines](#) in June for the scuttling of the ore carrier STELLAR BANNER off the coast of Brazil, has sold a total of seven ships for dirty and dangerous breaking in Bangladesh and Pakistan this year.

Almost one third of the ships sold to South Asia this quarter changed flag to the registries of Comoros, Gabon, Palau and St. Kitts and Nevis just weeks before hitting the beach. These flags are not typically used during the operational life of ships and offer 'last voyage registration' discounts. They are particularly popular with the middlemen scrap-dealers that purchase vessels cash from ship owners, and are grey- and black-listed due to their poor implementation of international maritime law.

THE HIGH NUMBER OF FLAG CHANGES AT END-OF-LIFE SERIOUSLY COMPROMISES THE EFFECTIVENESS OF LEGISLATION BASED ON FLAG STATE JURISDICTION ONLY, SUCH AS THE EU SHIP RECYCLING REGULATION.

The Platform recorded at least seven ships that de-registered from a European flag registry (e.g. Cyprus, Germany, Malta) prior the last voyage to South Asia in order to circumvent EU legislation. The export of one of these ships also breached the Basel Convention's Ban Amendment, which prohibits the export of hazardous waste, including end-of-life vessels, from the OECD, the EU and Liechtenstein to other countries – primarily developing countries or countries with economies in transition. The Ro-Ro cargo ship ZERAN, owned by Polish Ocean Lines, swapped its Maltese flag to that of Panama and illegally left Turkish waters at the end of July. It was beached in Bangladesh in September.

05

CASES & INVESTIGATIONS

In April, we urged Bangladesh, India and Pakistan to halt the import of a highly toxic offshore unit that had illegally departed from Indonesia. The Floating Storage and Offloading (FSO) tanker J. NAT (now renamed RADIANT) left Indonesian waters despite local activists having warned Indonesian authorities about the toxicity of the vessel. Following our actions and [local media reports](#), the government of Bangladesh [directed](#) all departments concerned not to allow the ship to enter Bangladeshi territory. Similarly, Indian authorities have recently warned Alang shipbreaking yards not to accept the toxic tanker for scrapping. Maritime sources now indicate that the vessel is sailing towards Gadani, Pakistan.

Investigations have been launched by authorities in Iceland following the illegal export of two container vessels owned by Icelandic company Eimskip to India. Icelandic program Kveikur released a [documentary](#) on the murky sale of the two ships. Eimskip's counterpart to the sale was none other than GMS, one of the most well-known cash buyers of end-of-life ships.

THE EXPORT OF THE TWO EIMSKIP VESSELS TO SOUTH ASIA WAS IN CLEAR BREACH OF EUROPEAN WASTE LAWS, WHICH PROHIBIT THE TRADE OF HAZARDOUS WASTE, INCLUDING END-OF-LIFE SHIPS, FROM OECD COUNTRIES TO NON-OECD COUNTRIES.

THE J. NAT AND AN EIMSKIP'S VESSEL



06

ACCIDENTS

Between July and September, at least four workers were severely injured and one worker lost his life in Bangladesh.

On July 1, Rohul (47 years old) suffered an accident at KSB Steels shipbreaking yard. He fell and broke five ribs while dismantling the ship STELLAR IRIS (IMO 9083093), owned by South Korean company Polaris Shipping. On the same day, Mozaffor (42 years old) fell down while dismantling another Polaris' vessel, the STELLAR JOURNEY (IMO 9050230), at RA Shipbreaking yard. Mozaffor was transferred to Dhaka Hospital as the medical assistance was inadequate in Chattogram.

On July 20, Rashidul Islam (45 years old) died while dismantling an unidentified vessel at N.R. Shipbreaking yard. Rashidul was fatally hit by a falling object.

On July 21, Faruk (24 years old) got injured at Arefin Shipbreaking yard. He was breaking the Japanese-owned vessel INNOVATOR (IMO 8508905) when an iron plate hit his head.

On August 27, Mokbul (40 years old) suffered an accident at T.R. Shipbreakers yard, owned by Didarul Alam, a member of the Bangladeshi Parliament. He was hit by an iron plate in his back. Mokbul did not receive any treatment or compensation from the yard owner in order to satisfy his livelihood needs.



07

UPDATE COVID-19

Despite the critical situation in Bangladesh and India due to the Covid-19 pandemic, the shipbreaking industry has started to operate again. Shipbreaking workers are now not only exposed to the numerous hazardous materials at the yards, but are also particularly vulnerable and at risk if infected by the virus.

In Bangladesh, according to local sources, around 48 yards out of the existing 115 yards are currently operating. A significant percentage of the migrant workforce remain, however, in their home villages.

In India, approximately 75 out of 150 registered plots were operational in August, claims the [Business Standard](#). According to the same media source, around 7.000-8.000 workers were active from a total of 20.000 workers. In the first half of September, the high number of Covid-19 infections forced [India](#) to divert oxygen supplies from the shipbreaking yards in Alang to hospitals. Consequently, the shortage of oxygen available at the yards is slowing down the cutting operations. Under normal circumstances, the industry is estimated to consume around 60% of the total oxygen produced in the region.



08

DEVELOPMENTS IN INDIA

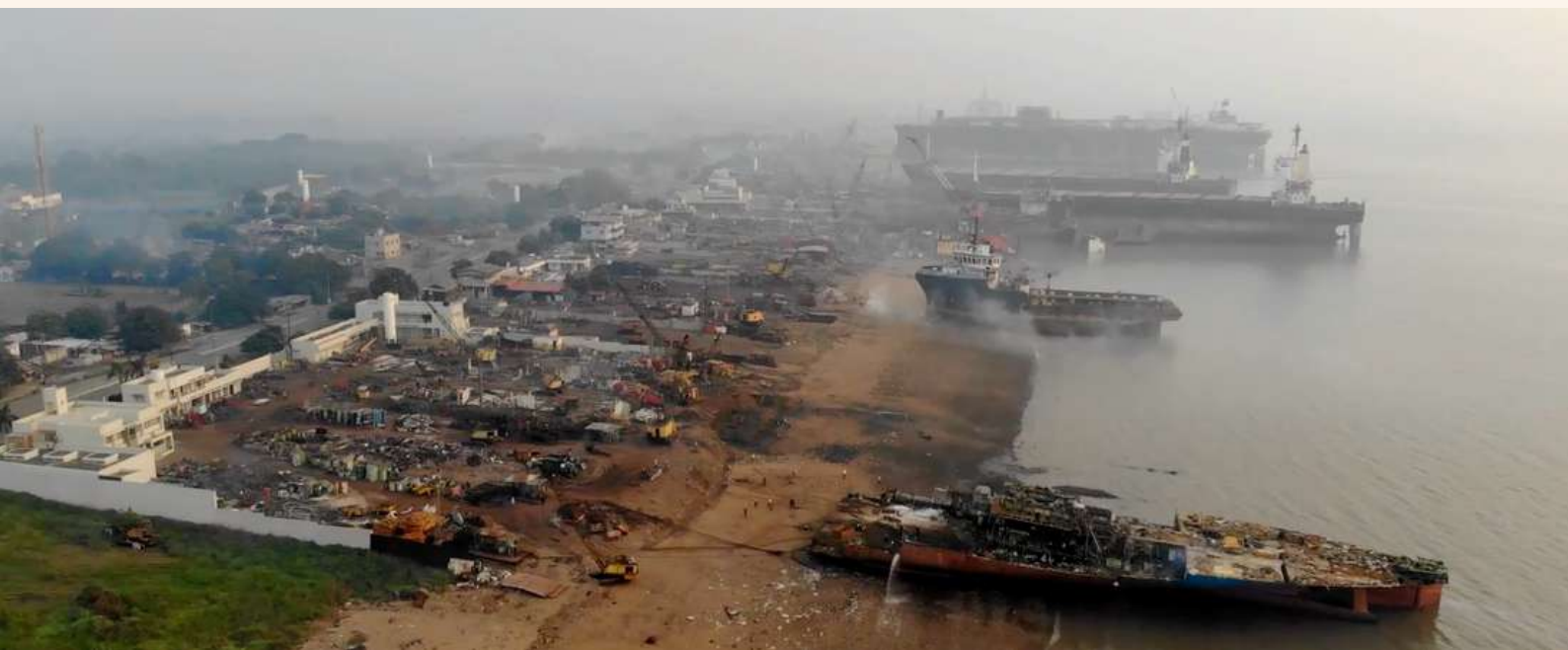
GUJARAT DECIDES TO OPEN A SECOND SHIPBREAKING YARD

According to the [Times of India](#), the Gujarat government has approved the re-opening of a shipbreaking yard in Sachana, in the Jamnagar District, after it had been closed due to lack of environmental clearances. The yard was [closed in 2012](#) due to concerns linked to the protection of the local marine national park. The re-opening of a second shipbreaking area modelled on the Alang yards has raised concerns amongst environmental and human rights organisations.

INDIA INTENDS TO WEAKEN ENVIRONMENTAL PROTECTION LAWS

The Gujarat's government decision to re-open a second shipbreaking location near a marine national park falls within a [worrying political context](#). The Indian government recently proposed to reduce public participation and the need for industrial projects to undergo an environmental impact assessment. Ritwick Dutta, Platform's board member and environmental lawyer at Legal Initiative for Forest and Environment (LIFE), believes that "it would be hard for the government to explain how it plans to protect the environment by allowing industrial projects to be set up without an impact assessment, legalizing past violations or squeezing the time for public consultation".

DRONE IMAGE OF ALANG BEACH - 2019 - © NGO SHIPBREAKING PLATFORM



09

ALANG EXPANSION PROJECT

In 2008, following legal actions taken by NGOs, the Indian Supreme Court directed the shipbreaking industry in Alang to align itself with national and international labour and environmental laws. The government reacted by adopting new legislation (e.g. Ship Recycling Code). However, the conditions at the yards remain appalling. Over the years, a study by the Indian National Human Rights Commission and numerous media reports have exposed breaches of labour rights, disregard for labour laws and safety standards as well as environmental degradation.

Following the announcement of plans to expand the shipbreaking area in Alang, environmental groups raised concerns about the serious environmental impacts of the scrapping activities, which are now under scrutiny in the National Green Tribunal (NGT). In 2019, the NGT directed the Ministry of Environment, Forest and Climate Change to undertake an environmental audit of the shipbreaking activities in Alang with a specific focus on the impacts of the beaching method. The results of the study are yet to be published.

According to Steel Orbis, India's Steel Ministry is also exploring possibilities of developing Alang "into the biggest scrap facility for voluntary scrapping of vehicles". Prime Minister Narendra Modi has already asked transport, steel, shipping and heavy industries ministries to explore how the shipbreaking area in Alang can be expanded and converted into an integrated scrapping facility for the roll-out voluntary vehicle scrapping.

AMNESTY SUFFERS REPRISAL FROM INDIAN GOVERNMENT

Human rights organisation Amnesty International was forced to shut down operations in India after the Indian government froze its bank accounts. This occurred after the organisation published two reports criticising the government's human rights records. The two reports are very critical towards national authorities, exposing human rights violations in communal riots in Delhi, and criticising restrictions on civil liberties in Jammu and Kashmir a year after the government withdrew the region's political autonomy. Avinash Kumar, the executive director of Amnesty International India, said to The Guardian: "Treating human rights organisations like criminal enterprises and dissenting individuals as criminals without any credible evidence is a deliberate attempt by the enforcement directorate and government of India to stoke a climate of fear and dismantle the critical voices in India".

10

DEVELOPMENTS IN BANGLADESH

UK COMPANY FACING LEGAL CLAIM FOLLOWING DEATH OF WORKER

The widow of a shipbreaking worker in Bangladesh, Hamida Begum, received a High Court's approval in the UK to pursue a negligence claim against UK-based shipping company Maran Ltd. Khalil Mollah lost his life on 30 March 2018 while dismantling the oil tanker EKTA on the beach of Chattogram, Bangladesh. British law firm Leigh Day is representing Khalil's widow and argues that Maran was responsible for the tanker ending up to be dismantled under dangerous practices on the beaches in Bangladesh.

If Maran (UK) Ltd is made to accept that it owed Mr Khalil Mollah a duty of care, maybe that will go some way to making UK shipping companies think twice about accepting greater financial reward for their end-of-life vessels at the cost of the environment and the lives of South Asian workers.

Oliver Holland - Partner - Leigh Day

CHATTOGRAM, BANGLADESH - 2020 - ©NGO SHIPBREAKING PLATFORM



11

REVIEWING OF THE BANGLADESH SHIP RECYCLING ACT

The Bangladesh Ship Recycling Act was reviewed by the Ministry of Industries and discussed among different stakeholders during a meeting organised by the Bangladesh Institute of Labour Studies in Chattogram. According to Tapan Dutta, convener of the Shipbreaking Workers Trade Union Forum, the draft lacks clarity and does not protect workers' rights. Mohammad Shaheen Chowdhury, a professor of law at the University of Chattogram, considers that the draft does not address basic measures and even facilitates the recruitment of child labour.

Platform's partner organisation Bangladesh Environmental Lawyers Association (BELA) also submitted detailed remarks on the Ministry of Industries' proposal for the Bangladesh Ship Recycling Rules 2020. The proposal is considered by BELA as inadequate, ineffective, and not in line with existing Court directives. "Environmental pollution, worker's safety and well-being are not within the Ministry of Industry's jurisdiction nor have they been considered in the new rules", BELA states. "Labour rights and environmental protection are matters that must remain under the jurisdictions of the Ministries and Departments of Labour and Environment, Forests and Climate Change".

BREACHING OF ENVIRONMENT CLEARANCE CERTIFICATES

Three people were arrested, including the ship owner and his representative, for dismantling a ship without any environmental approval and for unpaid taxes to the Chattogram Port Authority. The scrapping operations illegally started after MV GOLAM RAHMAN grounded and its hull cracked in Patenga Sea Beach due to a sudden storm.

On 11 September, the Department of Environment (DoE) fined three shipbreaking yards (Pacific Steel Enterprise, HM Steel Industries and Janata Steel Ship-breaking yard) for breaching the conditions laid down in their environment clearance certificates. On 23 September, according to The Daily Star, the DoE fined another three shipbreaking yards (KSA Steel, Sima Automatic Re-Rolling Mills and Sima Steel) for polluting the environment by ignoring the guidelines and for violating the DoE's clearance certificate.

12

STARTING OF THE THIRD PHASE OF IMO-PROJECT ON SHIP RECYCLING

The IMO-implemented project Safe and Environmentally Sound Ship Recycling (SENSREC) is aimed to assist Bangladesh ratify and meet the standards of the Hong Kong Convention (HKC). On 24 July, Norway and the government of Bangladesh signed an agreement to support the 3rd phase of the project. Norway has committed with approximately US\$1.5 million over a period of 18 months, starting from November 2020. Phases I and II were also supported by the Norwegian government.

The Platform has previously raised concerns that local civil society organisations have not been consulted; that the project has lacked ambition in terms of not sharing best practice; and that there have been conflict of interest in terms of the choice of consultants.

Indeed, whereas the shipping industry upholds the HKC as the only solution for improving shipbreaking conditions globally, the HKC has been strongly criticised for not providing standards that will ensure safe and environmentally sound ship recycling by NGOs globally, the UN Special Rapporteur on Toxics and Human Rights, the European Parliament and the majority of developing countries party to the UNEP Basel Convention. The HKC rubberstamps the current conditions as it does not ban beaching and sets no requirements, beyond compliance with national standards, for the management of hazardous wastes once they leave the gate of the recycling facility. There is currently no capacity in Bangladesh to manage the many hazardous materials that are embedded within the vessels' structure.



13

DEVELOPMENTS IN PAKISTAN

ENVIRONMENTAL AGENCY SANCTIONS FIVE YARDS

On 28 September, according to the local newspaper of Balochistan “Daily Bolan”, the Technical Director of Balochistan Environmental Protection Agency, Muhammad Khan Uthmankhail, visited unannounced the shipbreaking yards at Gadani. Due to non-compliance with environmental regulations, he required the closing of five shipbreaking yards. Each yard was compelled to pay a fine of PKR 300,000 (around EUR 1550).

RESEARCH

2 August 2020

Sitara Srinivas. Social and Political Research Foundation.

This series of research papers is focused on the shipbreaking industry in India. The first part offers an overview of the industry, while highlighting relevant national and international legislation. The second part addresses the flow of waste from developed to developing countries, and how the shipbreaking industry has become a major example of global waste dumping. Lastly, the third part focuses on the human, environmental and ethical consequences of the industry in India.

Breaking down the ship recycling industry. [Part 1](#)

The Politics of Waste, and the many Identities of a Ship recycling Yard in India. [Part 2](#).

‘One Ship, One Death’: The Environmental and Ethical implications of the ship recycling industry. [Part 3](#)

14

25 September 2020
Guillaume Vuillemey

The author shows that the maritime shipping industry - handling above 80% of global trade flows - has evolved over the past decades to systematically evade “corporate responsibilities”. Shipping firms have increasingly dissociated legal and ultimate ownership, fragmented assets in one-ship subsidiaries, used flags of convenience, and evaded end-of-life responsibilities with “last-voyage flags”. The research highlights how the externalisation of environmental damage is done to maintain a source of profit for the ship owners.

[Evading Corporate Responsibilities: Evidence from the shipping industry.](#)

OUR REPORTS

NGO Shipbreaking Platform

[The Toxic Tide - 2019 Data and figures](#)

[Study Report on Child Labour in the Shipbreaking Sector in Bangladesh](#)

[Behind the Hypocrisy of Better Beaches](#)

[Contradiction in terms: European Union must align its waste ship exports with international law and green deal](#)

SUPPORT OUR WORK

CALL FOR DONATIONS

To ensure that safe and clean ship recycling becomes the norm, and not the exception, the Platform will continue to inform policy makers, financial and corporate leaders, as well as researchers and journalists. With a broad base of support both in orientation and geographically, including membership in ship owning as well as shipbreaking countries, the Platform plays an important role in promoting solutions that encompass the respect of human rights, corporate responsibility and environmental justice.

WILL YOU JOIN US?

IF YOU SHARE OUR VISION PLEASE MAKE A DONATION TO SUPPORT OUR ACTIVITIES, OR CONTACT US TO FIND OUT HOW WE CAN WORK TOGETHER!





ABOUT THIS REPORT

Published by:

NGO Platform on Shipbreaking (asbl) Rue de la Linière 11, B - 1060 Brussels

FIND US ONLINE

www.shipbreakingplatform.org

Twitter: @NGOShipbreaking

Facebook: /shipbreakingplatform



THE NGO SHIPBREAKING PLATFORM GRATEFULLY ACKNOWLEDGES EU FUNDING SUPPORT. THE CONTENT OF THIS REPORT IS THE SOLE RESPONSIBILITY OF THE AUTHORS AND CAN UNDER NO CIRCUMSTANCES BE REGARDED AS REFLECTING THE POSITION OF THE EUROPEAN UNION.