

# SOUTH ASIA QUARTERLY UPDATE

#27



# 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.

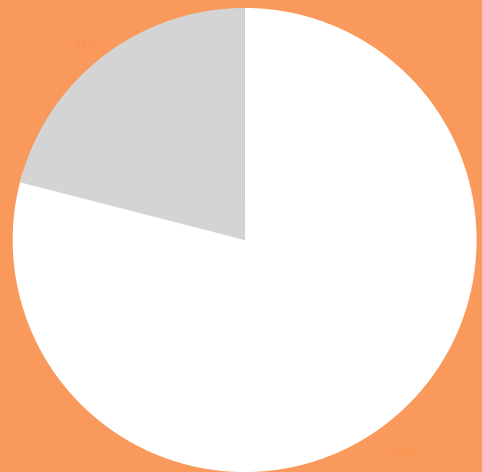
OCTOBER 2021  
**SAQU #27**

In this quarterly publication, we inform about the shipbreaking practices in South Asia, providing an overview of accidents that took place on the beaches of Bangladesh, India and Pakistan, 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.



# 19

*workers suffered an accident  
on South Asian  
shipbreaking beaches*



# 72%

*of ships ended up on South  
Asian beaches*

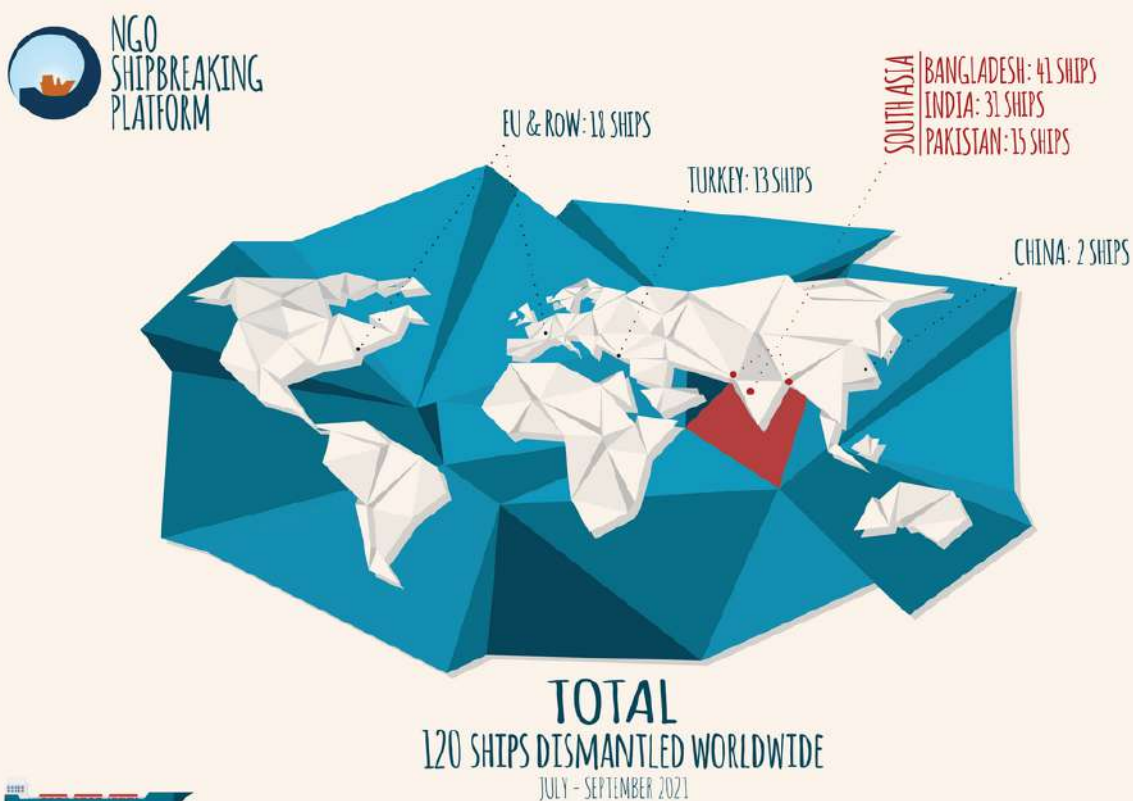
# 03

## SHIPBREAKING RECORDS

There were a total of 120 ships broken in the third quarter of 2021. Of these, 87 ships were sold to the beaches of South Asia, where conditions are known to put workers' lives and the environment at risk.

American ship owners sold the most ships to South Asian yards, closely followed by South Korean and Greek owners.

Almost one third of the ships sold to South Asia this quarter changed flag to the registries of Comoros, Gabon, Mongolia 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.



## 04

## CASES & INVESTIGATIONS

### PASSENGER-CRUISE VESSELS HEADING TO THE BEACHES OF SOUTH ASIA

#### PRINCESS

The passenger/ro-ro vessel PRINCESS (IMO 7347548) illegally departed from Greece in July. On August 22, the vessel arrived in Bangladeshi waters after changing its flag from Cyprus to Togo and then to Comoros. Interpol is likely to have issued a formal alert to Bangladeshi authorities not to allow the import of the ship. Additionally, Platform's member BELA has issued a legal notice challenging the beaching of the vessel. Despite competent authorities being alerted that the ship was heading for scrap, the unit was allowed to leave European territorial waters. The PRINCESS is currently located in Bangladeshi waters and, according to local sources, it has not been beached yet. The vessel, built in 1974, is likely to contain large amounts of asbestos, in addition to the many hazardous materials typically found within the structure of ships which characterize end-of-life-vessels as toxic waste. This case is a clear breach of the EU Waste Shipment Regulation, the Basel Convention and equivalent Greek national laws, as the export of end-of-life vessels from Greece to non-OECD countries is forbidden.

Back in March 2021, three cruise ships, MARCO POLO, MAGELLAN and COLUMBUS, were also illegally exported from the UK and Greece to Alang, India.

# 05

## RIGEL

Another passenger ship/ro-ro vessel is heading for scrapping towards the shipbreaking beaches of South Asia. The RIGEL I (IMO 7224459) illegally departed from European waters (with Greece and Italy as last port calls) in September 2021 for scrapping in Alang, India where it arrived on October 7. In order to circumvent the EU Ship Recycling Regulation, the flag was changed from the Cypriot to the Comoros registry. The ship, renamed ROGER, was built in 1973. This export is also illegal under the EU Waste Shipment Regulation, as the ROGER sailed from European waters to India. The NGO Shipbreaking Platform issued an alert to Italian and Greek authorities to immediately call the vessel back for safe and environmentally sound recycling, in line with the countries' obligations under European and international legislation.

## UPDATE ON THE SÃO PAULO CASE

The São Paulo (ex-Foch), built in 1960, was sold by the French to the Brazilian Navy in 2000. Following its decommissioning, the ship was auctioned to Sök Denizcilik Ticaret, a Turkish EU-listed facility. Some concerns exist related to the lack of transparency during the bidding process, specifically related to the real amount of hazardous substances inside the aircraft carrier. As we write, the association Instituto São Paulo/Foch, which is willing to transform the ship into a museum, is filing an *actio popularis* in Rio de Janeiro to block the end-of-life sale. Indeed, the Instituto São Paulo/Foch believes there might be some irregularities in the bidding and transfer process. It also believes that the aircraft could be a potential “ecological bomb” because of the high amounts of asbestos on board. The departure of the São Paulo towards Turkey is scheduled to take place on November 1.

## 06

# ACCIDENTS

## Bangladesh

This quarter is the deadliest ever in the shipbreaking industry in Bangladesh. During the months of August and September, sixteen accidents caused the death of eight shipbreaking workers and severe injuries to eleven. This is an urgent call for national authorities to finally take action.

On July 14, Md. Mofiz (40) lost his life when hit by an iron rod on board the Singapore-owned vessel WINSON NO. 5 (IMO 9205081) at Ferdous Steel. The worker was transported to the Southern Medical College Hospital and later to the Chittagong Medical College Hospital, where he passed away on July 15. The shipbreaking yard representatives declared that Mofiz suffered an accident on the road; however, their version of the story was refuted by Sitakunda authorities.

Few days later, on July 16, Md. Abdullah got injured by an iron plate at Mecca Shipyard. The shipbreaking worker is a 15 years old teenager. Employing minors in shipbreaking activities is illegal under the Bangladesh's Labour Act.

On August 11, Siblu suffered injuries due to a cylinder explosion at Janata shipbreaking yard.

On August 12, an iron piece fell injuring Alim (35), a cutter man who was dismantling the FSO DARING LIBREVILLE (IMO 9002623) at Mother Steel shipbreaking yard. The vessel was owned by Thai shipping company Nathalin Co Ltd. The yard owner has told the media that no accident took place and did not provide any medical treatment to the worker. A month later, on September 14, an explosion of an oxygen cylinder killed another worker, Md. Ali Nazim (47), at the same yard and on board the same unit.



# 07

On August 19, Rakib (26) fatally fell from another FSO, the ENERGY STAR (IMO 9118393), owned by Thai shipping company Prima Marine PCL.

On 20 and 21 August, two accidents happened at S.R.S Ship Breakers onboard the ship TABERNACLE PRINCE (IMO 8400578), owned by a Sri Lankan company Tokyo Cement Co Lanka. The workers, Dahranjan Tripura (30) and Dhoneshor Tripura (22), died after having inhaled toxic fumes. Dahranjan died on the spot during an illegal night shift, whilst his relative died at the hospital a day after the second accident took place.

On August 23, Roshed (46) and Md. Biplob (35) received severe burn injuries at Arefin Enterprise while cutting a pipe inside the AMAZON (IMO 9138616), owned by Greek ship owner Tide Line Inc.

On August 24, Mohammed Ali (27) lost his life at Taihua Steel Enterprise while dismantling the Hong Kong-owned vessel HUAJIAN 107 (IMO 8421298).



# 08

On September 15, an accident took place at Hadia Steel causing injuries to Md. Masud (42), who was hit by an iron plate onboard the Russian-owned KAPITAN PONIKAROVSKIY (IMO 7636614). According to local sources, no medical treatment was provided to Masud by the yard owner.

On September 18, Liton Pal (26) fell from the ORO SINGA (IMO 9171838) during cutting operations at S.N. Corporation yard. Cash buyer GMS was involved in the ship's sale. At the same yard, on September 19, Md. Shopiqul (34) got severely injured on the MEDITERRANEAN ENERGY (IMO 8125832), owned by Chinese owner Bank of Communications.

On September 20, Pias (19), Babul (22), and Md. Rasal (19) were inside the engine room of the B.P.P. 26 (IMO 9078816), owned by Thai company BPP Supply, at Meheren Ship Recycling yard, when a fire started during cutting operations and caused them severe burn injuries.

Two more accidents took place at yards owned by Kabir Steel group. On September 26, Shahin (42) was injured by an iron plate during cutting operations onboard the STELLAR NEPTUNE (IMO 9030943), owned by South-Korean company Polaris. According to local sources, Shahin was working as a cutter helper during an illegal night shift, and never received the necessary training prior starting his job. On September 29, a falling iron plate took the life of Md. Taslim (30) on board the MEDAN (IMO 9002207). According to shipping databases, Best Oasis was involved in the sale of this vessel to Kabir Steel.





## DEVELOPMENTS IN INDIA

### **INDIA'S NEW MINISTER FOR ENVIRONMENT, FOREST AND CLIMATE CHANGE: AN ENVIRONMENTAL EXPERT**

On July 8, Bhupender Yadav took charge of the Ministry of Environment of India. Yadav is a Supreme Court lawyer with knowledge and experience related to environmental issues. Yadav was also a former national secretary of the Bharatiya Janata Party and was chairman of several parliamentary committees on different issues. Ritwick Dutta, member of Platform's Board of Directors and one of the most well-known environmental lawyers in India, highlights Yadav's knowledge about the law and his commitment to the job. New-Delhi environmentalists welcomed the appointment of Bhupender Yadav as the new Minister of Environment, Forest and Climate Change. However, the new Minister will probably face some challenges in accomplishing sustainable development goals in biodiversity, nature conservation, and climate change; in implementing strict measures for clean air and emission reduction in several Indian cities; and in achieving a balance between economic development and environmental protection.

***“It is good that a lawyer has taken charge of the ministry. The ministry was circumventing the parliamentary process through various office memorandums and orders. I really hope he addresses that first. Given his background in law, he can help improve the functioning of the ministry. He has been associated with various environmental movements and has taken up environmental cases so he knows the issues very well. He has chaired the highest number of parliamentary committees also.”***

**Ritwick Dutta - Managing Trustee - LIFE**

## 10

**LIFE WINS 2021 RIGHT LIVELIHOOD AWARD**

Platform's Delhi-based member organization Life Initiative for Forest and Environment (LIFE) was awarded the 2021 Right Livelihood Award, also known as the Sweden's Alternative Nobel Prize. Ritwick Dutta, one of LIFE's co-founders, is a member of the Platform's Board of Directors. LIFE was honored for its innovative legal work in empowering communities to protect their resources in the pursuit of environmental democracy in India. The organisation has achieved milestone decisions in the Indian Courts with regards to numerous environmental cases, and has been legally challenging the beaching method based on Indian law, advocating for safe and environmentally sound ship recycling.

“

*Using law as a tool, LIFE has assisted groups in participating effectively in the environmental decision-making process. (...) This award recognises the centrality of people's struggle in the protection of environment. It recognises that impacted communities have the ability and courage to take on the most powerful vested interest.*

”

*Ritwick Dutta - Managing Trustee - LIFE*

## DEVELOPMENTS IN BANGLADESH

**LOCAL COMMUNITIES DENOUNCE ENVIRONMENTAL COSTS OF THE SHIPBREAKING INDUSTRY**

The environmental costs of shipbreaking have been denounced for many years around the dismantling area in Chattogram. In 2009, 14,000 mangroves, planted with the support of the United Nations, were illegally cut to make space for the scrapyards. In 2010, the High Court of Bangladesh directed four shipbreaking facilities to close and to replant the mangroves - the sites only closed in October 2013 and the mangroves were never reseeded. Since the start of the industry, at least 60,000 mangrove trees have been cut along the 14 km of coast to build up shipbreaking yards.

# 11

Mangroves are a natural barrier protecting coastal areas from typhoons and floods, and especially important in defending Bangladesh from the effects of climate change. Back in 2016, the devastating consequences of the shipbreaking industry on the livelihoods of the inhabitants of coastal villages and communities in Sitakunda, such as farmers and fishermen, have been documented by Al-Jazeera. A recent research shows that, among 250 fishermen from 10 villages around the Chattogram area, 75% believe that the shipbreaking activities generate problems to their livelihood, and 90% are worried about their subsistence due to continued expansion of the shipbreaking area and decline of fish availability.

The Daily Star recently reported that local farmers in Sitakunda have also complained that most of the flowers in vegetable farms have fallen off before the harvest time, drastically reducing the production in agricultural land surrounding the ship scrapping area. According to an expert, the presence of heavy metal elements in soil, soil salinity and toxic gases are the main causes for this ecological damage, instigated by the expansion of the yards over the area for the last forty years. In The Daily Star report, the expert also highlights that Bangladeshi shipbreaking yard owners never follow the regulations before beaching any ship, which results in toxic elements being easily released in the ocean and soil, harming farming lands, crops and vegetables of the area.

Chattogram, 2017 © Studio Fasching



# 12

## **VESSEL STUCK ON THE BEACH OF CHATTOGRAM**

A cyclone in the Bangladeshi coast has left the vessel CRYSTAL GOLD completely stuck on the Chattogram's Parki beach for the last four years. According to environmentalists, this has become an ecological threat to the area's ecosystem, as the ship has been releasing silt that spreads to the surrounding forest. The CRYSTAL GOLD was bought by Bangladeshi company Crystal Group, who then subsequently sold it for breaking to Four Star Enterprise shipbreaking yard, given that the company had started facing legal complications over bank loans and payment of crew members. In 2019, the shipbreaking yard was fined for attempting to break up the vessel without permission. After the Department of Environment order, the yard owner appealed to the High Court, but the tribunal rejected the application. As we write, the vessel still lays on Parki beach, and a solution has not yet been found.

## **FLAGS OF CONVENIENCE**

A ship must be registered and subject to the jurisdiction under the flag of a single State. Therefore, the flag state is responsible for the inspection of the vessel and its seaworthiness, for certifying the crew, and for the ship's safety and pollution prevention. As rights and obligations under international law are mainly imposed on vessels via the flag states, they are a crucial factor in determining the enforceability of international standards. The problem is that while the flag of a vessel certifies its nationality, it does not necessarily identify the nationality of the ship owner, making the enforcement of maritime environment law extremely weak.

Flags of Convenience (FOC), also known as open or international registries, emerged in the international shipping industry during the 1940s, when countries such as Panama, Liberia and Honduras, started to grant their flag to any foreign commercial ship for a specified payment. In 1958, when the International Maritime Organisation (IMO) was established, only the 13% of the total fleet was flagged under FOCs. Nowadays, the statistics have certainly increased, as re-flagging became a common business practice often linked to criminal activities, such as illegal fishing, exploitation of crews, and trade of toxic end-of-life ships.

# 13

FOC registries are often not government agencies, but private companies situated outside of the actual flag state or operating from different branch offices run by agents, making it more challenging to hold ship owners accountable for their practices and prosecute legal actions.

## **SHIPBREAKING AND FOCs**

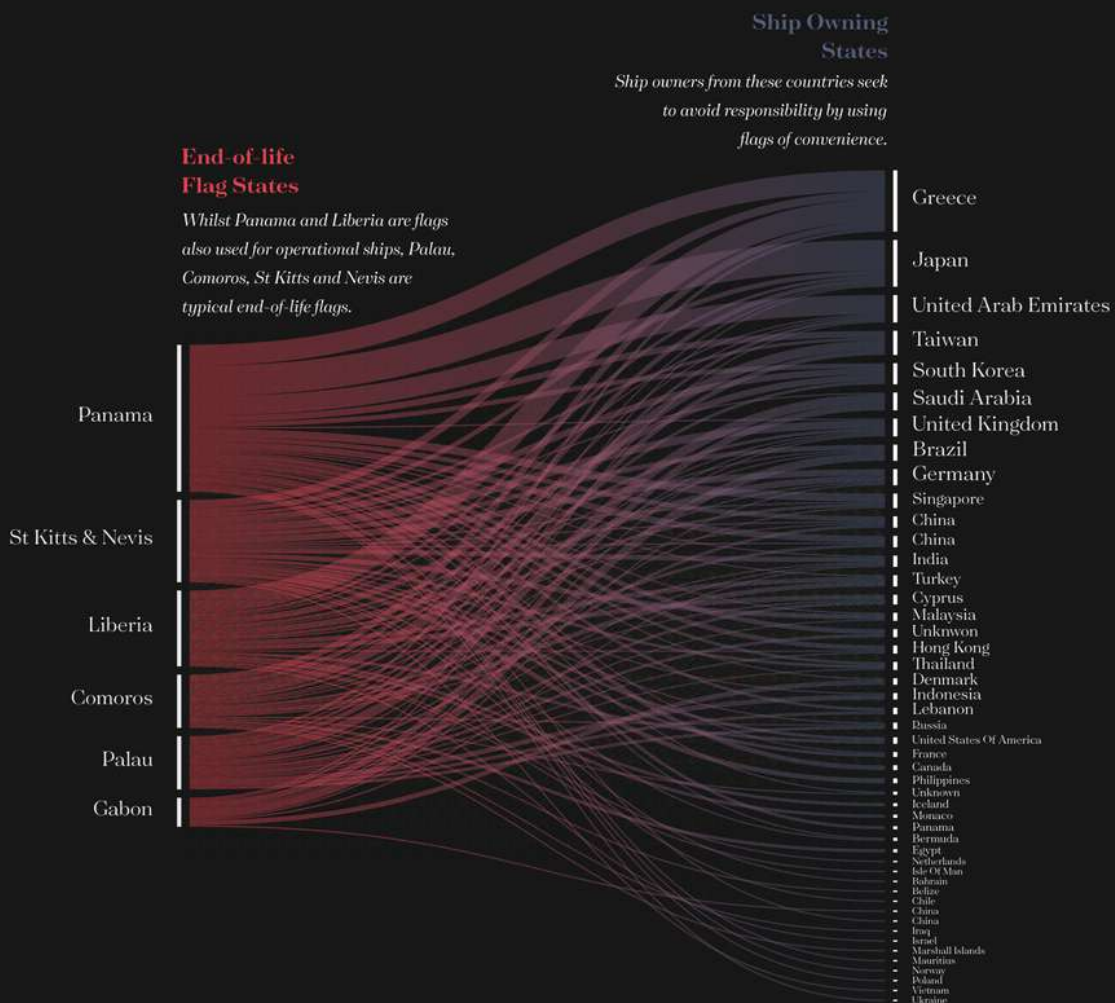
FOCs have become havens for business and very attractive to shipping companies. They offer easy short-term registration without nationality requirements; they have poor law enforcement and a lack of financial transparency; and provide fiscal benefits to those companies, such as low tax rates, in return for registration fees and shared profit. The use of FOCs reduces the powers of nation-states in taxing, owning, regulating and providing environmental protection – as a way of escaping taxes but also to avoid the regulations for scrapping and recycling. In the end, there is this problematic situation that FOCs, a legal practice, are used for illegal practices involving the non-compliance with international maritime regulations by circumventing the law.

Most ship owners circumvent existing legislation meant to protect, in particular, countries in the Global South from hazardous wastes located within the structure of end-of-life vessels. Consequently, FOCs undermine the implementation of the polluter pays principle by making it easy for ship owners to circumvent legislation by flagging-out to a non-party or a non-compliant flag. One of the root causes of the evasion of legislation is the profit nature of these open registries, which also encourages the competitive industry of international flagging. For example, an investigation by Finance Uncovered in 2019, exposed the International Ship Registry - Skanreg, based in east London, as a company which made profit from charging ship owners a fee for registering their end-of-life vessels with St Kitts and Nevis, prior their final voyages to the beaches of South Asia.



# 14

The most popular flags used for substandard shipbreaking practices are St Kitts and Nevis, Comoros, Gabon, Palau and Tuvalu and to a lesser extent Togo, Tanzania, St Vincent and the Grenadines and Sierra Leone. These flags are hardly used during the operational life of the vessel, and are all grey - or black-listed by the Paris Memorandum of Understanding (MOU), being states known as tax havens or offshore financial centers. According to the *Review of Maritime Transport 2019*, fourteen of the top fifteen ship-owning countries are high-income countries, controlling around 70% of global shipping tonnage; 78% of their assets is registered in fiscal paradise havens such as Panama, Liberia and Marshall Islands. In 2020, Panama, St Kitts and Nevis and Liberia were the top three countries under which ships were registered at end-of-life.





# 15

## **THE ROLE OF CASH-BUYERS**

Most ship owners - except for responsible companies directly engaging with ship recycling facilities- sell their end-of-life vessels to so-called cash-buyers, who bring them to their final destination. Cash buyers are companies specialized in the trade of end-of-life vessels, and most sales are destined to the beaching yards in South Asia. The most well-known cash buyers are Global Marketing Systems (GMS), Wirana and Best Oasis, but there are many other smaller scrap dealers, brokers and intermediaries. Over the past 10 years, these companies have grown considerably from small offices to global agencies.

There is an evident link between the use of cash buyers and the last-voyage discount packages offered by particular FOCs when ships are sold to substandard beaching yards. The sale of an end-of-life vessel to a cash buyer involves a brief change of ownership and consequently a new registration of the ship with a new flag, and possibly with a new name. In this manner, ship owners avoid legal, financial and other risks related to selling a ship to a beaching yard, as well as their accountability in the process in exchange for huge profit.

## **LOOPHOLES IN LEGISLATION**

Regulation and laws on ship recycling at international and European level are mainly based on flag state jurisdiction and will never be able to solve the problems of substandard shipbreaking nor to enforce the polluter pays principle on ship owners. Legislation based on flag jurisdiction will continue to offer easy circumvention of the law. Whilst more than 40% of the world fleet is controlled by EU ship owners, only 7,7% of vessels have an EU flag at the end-of-life. The requirements of the EU Ship Recycling Regulation can be easily evaded by simply flagging-out to a non-EU flag. Interestingly, an investigation on 22,500 scrapped vessels' business records between 2000-2019 now proves how ship owners in the Global North have been circumventing environmental legislation by using FOCs, creating an effective way to evade environmental justice principles. The use of FOCs has definitely contributed to support economic activities at a high cost for people and nature.

# 16

## **THE SOLUTION**

There is significant evidence that flag state jurisdiction allows ship owners to avoid EU and international laws. It shows inconsistencies with the polluter pays principle, and it weakens the power of the EU to achieve compliance with its own legislation. The possible adoption of a financial incentive within the EU Ship Recycling Regulation's regime would allow to go beyond flag state jurisdiction and could be a significant tool in directing end-of-life vessels towards modern ship recycling facilities that already exist. By recycling obsolete vessels in an environmentally sound manner, the costs would be internalised and re-flagging could be avoided and even discouraged.

## **RESEARCH & READINGS**

**January 2021**

**Allaudin Kakar, Van Liem-Nguyen, Qaisar Mahmood, Sofi Jonsson**

This is the first comprehensive study conducted to investigate current estimated Hg (mercury) contamination at Gadani shipbreaking yard, providing data on total Hg (HgT) and methylmercury (MeHg) levels in shipbreaking impacted areas. The study methodology covered 15 stations in the beaching yards and 9 stations as reference sites. Within the shipbreaking area, the Hg concentrations in the yard and dismantling zones are much higher than the reference zones. The findings also conclude that the elevated concentration of total Hg (HgT) is a consequence of shipbreaking activities. As mercury is released from shipbreaking activities, the fishing and local communities are being impacted from a health and socioeconomic perspective, and the coastal ecosystem is being harmed.

Elevated concentrations of mercury and methylmercury in the Gadani shipbreaking area, Pakistan

## 17

**March 2021****Prabal Barua, Syed Hafizur Rahman, Maitri Barua**

The findings of the research conclude that the concentration of selected heavy metals found within the shipbreaking area in Chattogram has increased from two to eight times from the findings in the last decades. The soil samples were collected from six shipbreaking sites, and the seventh site was used as reference area. The research also proves that heavy metals toxicity has an impact on fish species diversity in the region as it was found that about 30 species of fish, which are endemic to the region, have no become irregular or are threatened with extinction.

[Changing pattern of heavy metals accumulation in and around in Ship breaking area over the 40 years and its impact on Fish diversity in adjacent areas of Bangladesh](#)

## OUR REPORTS

**NGO Shipbreaking Platform**

[The Toxic Tide](#) - 2020 Data and figures

[Study Report on Child Labour in the Shipbreaking Sector in Bangladesh](#)  
(2019)

[Recycling Outlook: Decommissioning of North Sea Floating Oil & Gas Units](#)  
(2019)

[Behind the Hypocrisy of Better Beaches](#) (2019)

[Contradiction in terms: European Union must align its waste ship exports with international law and green deal](#) (2020)



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 WORK OR CONTACT US TO FIND OUT HOW WE CAN WORK TOGETHER!**

**SUPPORT  
OUR  
WORK**



## ABOUT THIS REPORT

Published by:

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

Edited by:

Ingvild Jenssen, Nicola Mulinaris, Sara Costa

## FIND US ONLINE

[www.shipbreakingplatform.org](http://www.shipbreakingplatform.org)

Twitter: @NGOShipbreaking

Facebook: /shipbreakingplatform



WE THANK THE EUROPEAN COMMISSION AND THE LIFE PROGRAMME FOR THEIR SUPPORT.

**Engineering** 

WE THANK THE ROYAL ACADEMY OF ENGINEERING AND THE LLOYD'S REGISTER FOUNDATION FOR THEIR SUPPORT UNDER THE INTERNATIONAL COLLABORATION 'ENGINEERING X'.