



Strengthening the EU ship recycling sector to support circularity and the green transition of the European steel industry

Joint Statement by Recycling Europe, EUROFER, and the NGO Shipbreaking Platform

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Technological progress, evolving environmental regulations, vessel ageing, and increasing maintenance costs all play a role in determining the end-of-life (EoL) of the maritime commercial fleet. Studies¹ predict a rise in ship demolitions between 2025 and 2040, with a fivefold increase by 2033, significantly boosting the availability of secondary raw material² from EoL ships.

As the number of EoL vessels - many of them owned by EU/EFTA shipping companies - increases in the coming years, **the EU has a responsibility to ensure that ship recycling practices align with its environmental objectives, safeguard workers' health and safety, and support the EU's circular economy, decarbonisation and competitiveness goals.** In that regard, **ship recycling can be particularly beneficial for the European steel industry.** The steel sector is undergoing a significant transformation to reduce emissions through new low-CO₂ production processes and will also increasingly rely on secondary raw materials as a key input. Ship recycling represents an opportunity to support the transition of the European steel industry.

Currently, **90% of the world's EoL ships by tonnage are dismantled on South Asian beaches where poor infrastructure, lack of protective equipment, and inadequate hazardous waste management result in significant environmental harm,** occupational diseases and worker fatalities. These practices stand in clear contrast with the objectives of international environmental agreements such as the Basel Convention, to which the EU remains firmly committed. Many EU/EFTA-owned vessels end up on these beaches due to regulatory loopholes, weak

¹ Tola, F., Mosconi, E. M., & Gianvincenzi, M. (2024). *Demolition of the European ships fleet: A scenario analysis*. *Marine Policy*, 166, 106222. <https://doi.org/10.1016/j.marpol.2024.106222>

² *This secondary raw material mainly consists of ferrous scrap reprocessed by ship recycling facilities.*

enforcement, and an uneven global playing field. This **lack of enforcement of existing legislation has even led to a decrease in ship recycling activity in the EU over the past years**. The EU must reverse this trend and ensure that EU/EFTA-owned EoL ships are dismantled and recycled in the EU.

Between 70% and 95% of a ship's weight can be recovered and processed to become high-quality secondary raw material³. Since the transformation of the European steel sector will increase demand for high-quality input of secondary raw materials⁴, ship recycling presents a strategic opportunity.

EU/EFTA-owned vessels that will be heading for recycling in the coming decade⁵ represent over 136 million tonnes of Light Displacement Tonnage (LDT), and, once processed, could yield more than 100 million tonnes of secondary raw material. This material can support the decarbonisation of the steel industry by reducing reliance on virgin raw materials. When remelted, every tonne of secondary raw material (ferrous scrap) saves approximately 1.6 tonnes (for carbon steel) and 5 tonnes (for stainless steel) of CO₂ emissions by displacing emissions from primary iron production but also avoids consumption of 1.4 tonnes of iron ore, 740 kg of coal and 120 kg of limestone.⁶

Transparency from shipowners on their fleets' retirement plans is essential to help develop a viable and resilient EU-based recycling infrastructure and foster industrial synergies with the steel sector.

However, without decisive action from the EU, the opportunity ship recycling represents to decarbonise the steel sector, in addition to supporting the creation of a vibrant recycling sector in line with circular economy goals, risks remaining unrealised. **The dismantling of European vessels outside the EU results in a loss of value and strategic materials and economic sovereignty**. Strengthening recycling within European facilities would boost industrial autonomy

³ Sandbag. (2022). *European scrap steel floats away under carbon market incentives*. Retrieved May 2, 2025, from <https://sandbag.be/2022/09/22/european-scrap-steel-floats-away-under-carbon-market-incentives/>

⁴ New Energy Coalition (2024). *Unlocking Vessel Dismantling Opportunities: Towards steel Circularity*. <https://www.newenergies-coalition.com/static/8746b75abf953037955c955ae4fbd223/NewEnergiesCoalition-UnlockingVesselDismantlingOpportunities-October2024.pdf>

⁵ The sample contains 11902 ships and consist of EU/EFTA-owned ships over 10 years old and larger than 500 GT. The database was compiled and developed by the NGO Shipbreaking Platform.

⁶ [Circular Economy - worldsteel.org](https://www.circular-economy-worldsteel.org/)

and jobs, especially in certain less developed regions, while supporting the EU's climate and energy transition. The efficiency of the EU Ship Recycling Regulation (EU SRR) is undermined by loopholes that allow last-minute re-flagging to non-EU registries, enabling circumvention of EU environmental and safety requirements. Moreover, **shipowners avoid the obligations under the EU Waste Shipment Regulation** by not declaring their intention to dispose of their asset, and even providing fraudulent documents on further operational use to authorities to conceal their true intention. Not broadening the scope of these regulations weakens the EU's ability to retain control over its own material flows and undercuts investments in high-standard ship recycling capacity.

To address these challenges, we call for:

- **Strengthening the EU Ship Recycling Regulation**, through concrete action to close the re-flagging loophole and ensure that all EU-owned vessels are recycled at facilities meeting EU regulatory requirements.
- **A level playing field** so that only yards that fully comply with EU social, health and safety and environmental regulations on waste management and steel recycling are approved by the EU.
- **Financing for EU-based facilities to scale sustainable operations**, and investments in innovation and R&D for the development of a competitive European ship recycling sector.
- **Increased transparency and cooperation from the shipping sector**, including fleet retirement planning and better data sharing on the availability and quality of materials fractions that can be recovered to become secondary raw materials.
- **Recognising ship recycling as an essential part of the upcoming Circular Economy Act** to enable the generation of high quality secondary raw materials and support steel production circularity and decarbonisation.

Sustainably managing ship recycling within the EU will not only protect workers and the environment, but it will also contribute to the EU's strategic autonomy, industrial resilience, and transition to climate neutrality.

About the NGO Shipbreaking Platform

The NGO Shipbreaking Platform is a global coalition of organisations working to reverse the environmental harm and human rights abuses caused by current shipbreaking practices and to ensure the safe and environmentally sound dismantling of end-of-life ships worldwide.

About Recycling Europe

Recycling Europe (formerly EuRIC) is the voice of Europe's recycling industry, including 80 national federations and companies across 24 EU & EFTA countries. From metals and paper to plastics, packaging, textiles, tyres, ships, construction & demolition waste, ELVs and WEEE, our members transform waste into resources—powering Europe's circular economy, ensuring resource autonomy, and boosting competitiveness and sustainable industrialisation across the continent.

About the European Steel Association (EUROFER)

EUROFER AISBL is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federation of Turkey, Ukraine and the United Kingdom are associate members. The European steel industry is a world leader in innovation and environmental sustainability. It has a turnover of around €215 billion and directly employs around 298,000 highly-skilled people, producing on average 146 million tonnes of steel per year. The European Steel Association is recorded in the EU transparency register: 93038071152-83.